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CBA HOME EQUITY LOAN STUDY

An Analysis

of the Year-end

1992 Survey

Conducted by Richard F. DeMong, Ph. D., CFA, Director, Center for Financial Service Studies, and Professor of Commerce, McIntire School of Commerce, University of Virginia

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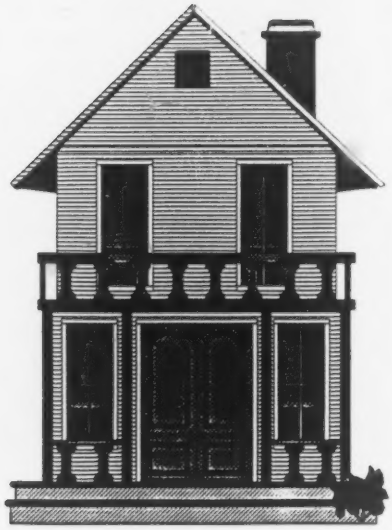
CBA CONSUMER BANKERS ASSOCIATION



1993

HOME LENDING SURVEY

FOR YEAR END 1992

by

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Spring 1993
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Home Equity Lending Survey for Year End 1992

Richard F. DeMong, Ph.D., CFA*
and
John H. Lindgren, Jr., Ph.D.*

Introduction

The seventh annual survey of home equity lending documents the continued growth of home equity loans in the United States. This year's survey details the growth and use of home equity **open-end** lines (revolving credit), and home equity **closed-end** loans. It is a national, comprehensive survey of 1992 home equity lending products.

Home equity **open-end** lending increased by 6.2 percent at the median lender in 1992. We are reporting the median statistic because the mean was skewed by a very large percentage growth at four of the lenders. According to FDIC call reports, home equity revolving credit at commercial banks increased by 4.3 percent in 1992.

Thirty-one percent of all consumer credit (excluding unsecured credit cards) at responding institutions was home equity **open-end** credit in 1992. It represented 33 percent in 1991, 26 percent in 1990, 28 percent in 1989, 29 percent in 1988, and 25 percent of consumer credit in 1987. **Closed-end** loans represented 16 percent of all consumer credit at the average lender in 1992. It has remained at approximately 16 percent for the last three years. If **closed-end** loans were included, home equity credit would represent 47 percent of all consumer credit (except unsecured credit cards) in 1992. Thus home equity credit now represents almost half of all consumer credit.

Almost 99 percent of the lenders in this study offered **open-end** lines. The average lender began offering home equity **lines-of-credit** in 1985. Ninety-nine percent of the lenders offered **closed-end** loans. The average lender began offering **closed-end** loans in 1979.

Objectives

The Study's objectives are the following:

1. Analyze total consumer credit outstanding (excluding unsecured credit cards).
2. Describe an institution's typical portfolio within the home equity product. This includes **open-end** and **closed-end**, as well as fixed and variable rate loans/lines.

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3. Analyze the approval process on home equity products
4. Evaluate the characteristics of variable rate home equity products.
5. Analyze the servicing of home equity products by reviewing policies, primary uses of home equity credit by borrowers, delinquencies, and foreclosures.
6. Profile the average customer and evaluate home equity loan market activities among different institutions.
7. Discuss the basic demographics of institutions presently marketing home equity products.
8. Provide home equity analysis in aggregate form, as well as by size of institution, by institution, and by region.

Methodology and Sample

On behalf of the Consumer Bankers Association, the Center for Financial Services Studies of the McIntire School of Commerce, University of Virginia, sent questionnaires to 653 commercial banks and thrifts (mutual savings banks, savings and loan associations, credit unions, mortgage companies, and finance companies). The questionnaire was developed over a seven year period with nine revisions. The survey covered a stratified systematic sample of financial institutions in the United States that had assets of at least $100 million. Each institution received the fourteen-page questionnaire during January, 1993. This resulted in 93 usable responses prior to the deadline or 14 percent of the total mailing.

Characteristics of Respondents

The 93 respondents were regionally representative of financial institutions in the United States that have assets of $100 million or more. Exhibit 1 (pgs. 24 - 26) depicts some of the statistical characteristics of the responding lenders. Assets of the survey participants totaled $936 billion. More pertinent to this study was the finding that these institutions reported a total of 1,455,131 approved home equity **open-end** lines, amounting to $51 billion in home equity, **open-end** approved credit, and 739,654 home equity **closed-end** loans, totaling $20 billion in home equity **closed-end** credit.

The average asset size of responding institutions was $10.4 billion. The average number of branches in 1992 was 143 and the median number was 58. The average lender's return-on-assets was 1.09 percent in 1992, up from 1.01 in 1991 and .97 in 1990. The average lender's return-on-equity was 14.98 percent in 1992, and the median return-on-equity was 15.4 percent.

The data were analyzed on an aggregate basis as well as by region, size, and type of institution. On a geographic basis, the responses were broken down into four of the Census Bureau's regions: Northeast, South, Midwest and West. However, thirteen of the lenders were in more than one region so their data were categorized in each of the regions where they offered home equity credit.

In terms of asset size, the three categories used were: Group I (less than $1 Billion in assets), Group II ($1 billion to $5 billion in assets), and Group III ($5 billion or more in assets).

These data were also categorized by commercial bank versus thrift (credit unions, mortgage companies, savings banks and savings and loan associations). The study examined 77 commercial banks and 15 thrifts, (9 savings banks, 3 savings and loan, including 1 finance company and 2 mortgage companies). In many cases the mean and the median statistic will be presented in the exhibits. The mean is commonly called the average and it is simply the sum of all the data divided by the number of respondents for that question. The median is the middle respondent for that question. If there were one hundred respondents for a question, and if the data were arranged from the smallest number to the largest number, then the median would be the fiftieth number in the array. The median is often a better measure for the middle of the data than the mean because it is not influenced by the extremes of the data.

Home Equity Lending

The average lender's home equity **open-end** lending portfolio increased by 8.6 percent (median was 6.2 percent) in 1992. However, only two-thirds of the sample reported increases, the other third of the sample reported decreases in their portfolio of home equity lines of credit. The 8.6 percent increase was calculated using the institutions that increased and decreased their **open-end** home equity credit.

The average lender had 16,349 (median 6,569) **open-end** lines and 9,995 (median 3,630) **closed-end** loans as of December 31, 1992 (Exhibit 2, pgs. 27 - 29). The average lender had a total **open-end** approved credit of $579,249,441 in 1992. However, only 11,225 **open-end** lines (84.6 percent of all **open-end** lines) were actually in use as of the end of 1992. The percentage of **open-end** lines actually in use dropped from 87.5 percent in 1991. The average amount of **open-end** credit in use at the end of 1992 was $324,449,784. The average lender reported that 56.4 percent of its approved **open-end** credit was outstanding at the end of 1992. The percentage of outstanding credit was 59.5 percent in 1991. (Exhibit 3, pgs. 30 - 32). The percent of **open-end** lines in use and the percent of the amount of approved dollars of **open-end** credit in use decreased in 1992.

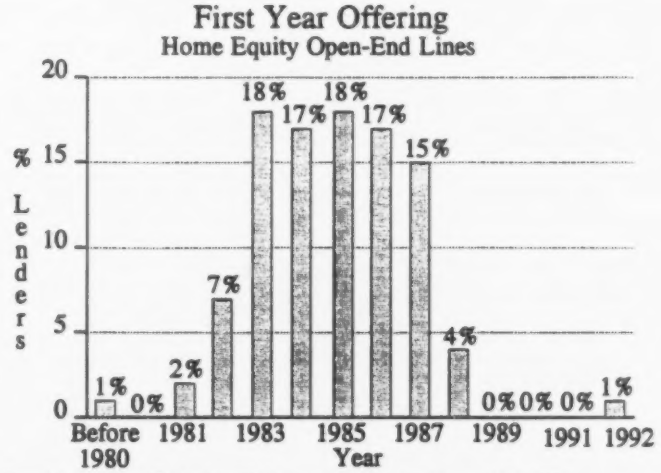
There were 9,995 **closed-end** loans at the average lender. The average lender had a total of $254,124,032 of **closed-end** loans in 1992.

The importance of home equity lending to the average lender increased in 1992. The average lender had 45 percent of its consumer credit in home equity credit in 1992. **Open-end** home equity credit represented 30 percent in 1992. **Closed-end** loans represented 16 percent of the average lender consumer credit in 1992.

Home equity lending made up a greater percentage of the average thrift's consumer credit portfolio than that of the average commercial bank's portfolio. **Open-end** credit represented 38 percent of an average thrift's consumer credit portfolio (excluding unsecured credit cards) which was greater than the average commercial banks' portfolio of 30 percent. Home equity credit in aggregate (**open-end** and **closed-end** credit) represented 68 percent of consumer credit at the average thrift and 41 percent at the average bank. Although home equity lending increased in 1992, all but one of the **open-end** lenders in this survey began lending before 1989 (Figure 1). There were two additional **closed-end** lenders in 1992.

The expected average life of home equity **lines-of credit** is 6.45 years (median was 5 years). The expected average life of home equity **closed-end** loans was 5.9 years (median was 5 years).

Figure 1



Growth in new Home Equity Open-End competitors took place between 1983-1987.

New Home Equity Lending

The average financial institution approved 2,751 (median 1,175) new home equity **open-end** lines in 1992 for an additional amount of **open-end** credit of $123,305,556 (median $48,244,483). These numbers were up from 2,172 new lines and $83,966,796 new **open-end** credit in 1991. The average new home equity **open-end** line was for $35,214 in 1992 (Exhibit 5, pgs. 36 - 38). The new **open-end** lines were, on average, slightly larger than the average **open-end** line of $31,977.

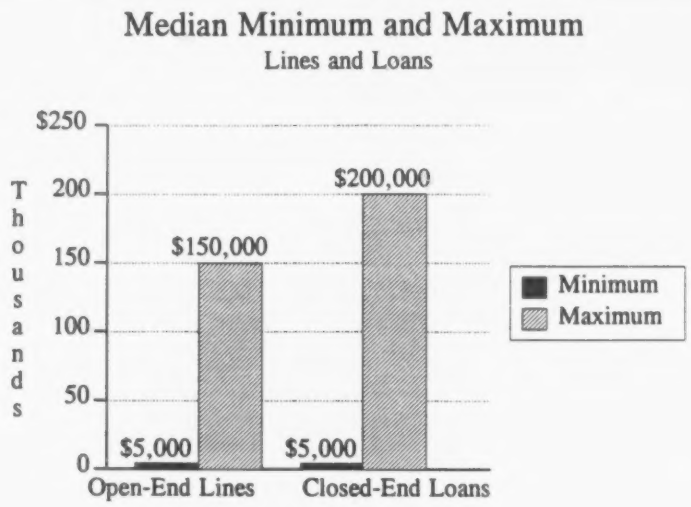
The average lender booked more home equity **closed-end** loans than **open-end** lines in 1992 (Exhibits 4, 5, & 6, pgs. 33 - 41). The average lender approved 3,408 (median 1,277) new **closed-end** loans in 1992 as compared to 2,751 new **open-end** lines. The average amount of **closed-end** loans booked in 1992 was $108,578,571 (median $37,032,873). In comparison, the average amount of **open-end** lines booked in 1992 was $123,305,556. The average **open-end** line was larger than the average **closed-end** loan of $20,397 (with a median loan of $18,487).

The average **closed-end** loan booked in 1992 was $29,167, as compared to $26,301 for the average newly approved **closed-end** loan in 1991 (Exhibit 6, pgs. 39 - 41). The average newly originated **closed-end** loans in 1992 were larger than the average of all **closed-end** loans ($29,167 versus $20,397). This was expected since some of the existing **closed-end** principal has been repaid.

Both the average new **open-end** lines and average **closed-end** loans were larger than the **open-end** lines and **closed-end** loans originated in 1991. The average **open-end** line booked in 1992 was 8.1 percent larger than the average **open-end** line booked in 1991. The average **closed-end** loan booked in 1992 was 10.9 percent larger than the average new **closed-end** loan in 1991.

The average minimum **open-end** line was $7,093 in 1992. The average maximum **open-end** line was $262,879. The average maximum home equity lines of credit reflect the findings that 8 percent of the sample had $1,000,000 limits. It does not include the 2 percent of the lenders with no pre-established maximum loans. The median minimum **open-end** line was $5,000 and the median minimum **closed-end** loan was also $5,000. The median maximum **open-end** line was $150,000 and the median maximum **closed-end** loan in 1992 was $200,000. The median minimum and maximum **open-end** lines were unchanged from the medians in 1991. The average minimum for **closed-end** loans was $5,060 and the average maximum **closed-end** loan was $234,272 (see Figure 2)

Figure 2



Variable Rate Lines/Loans

Almost 96 percent of the home equity **open-end** lines had a variable rate (Exhibit 7, pgs. 42 - 44). However, only 14 percent of the **closed-end** loans had a variable rate in 1992. Sixty-seven percent of the lenders in 1992 used *The Wall Street Journal* prime rate as the index for setting the variable rate for **open-end** lines (Table 1). Another 9 percent of the lenders used a bank prime rate as their index for variable rate **open-end** lines. The average spread over the prime rate was 171 basis points and the median spread was 175 basis points (Table 2). Only 16 percent used a Treasury Bill rate as their index. The average spread over a Treasury Bill rate was 429 basis points, and the median was 400 basis points. The average spreads for **open-end** lines decreased in 1992 as compared to 1991. The average spread over prime decreased by 10 basis points and the median spread decreased by 25 basis points. The average spread over Treasury Bill rates decreased by 11 basis points and the median spread decreased by 25 basis points in 1992 as compared to 1991.

Table 1

Variable Rate Index

	Open-End Lines	Closed-End Loans
The Wall Street Journal Prime Rate	67%	15%
Bank Prime Rate	9%	3%
30 Day Treasury Bill	2%	3%
90 Day Treasury Bill	8%	15%
180 Day Treasury Bill	5%	9%
52 Week or Longer Treasury (including Federal Reserve Discount Rate)	1%	6%
Other	8%	49%

In contrast, only 18 percent of the lenders used a prime rate as the index for their variable rate **closed-end** loans with 15% using *The Wall Street Journal* prime rate and 3% using a bank prime rate. The average spread over prime rate for **closed-end** loans was 276 basis points, and the median was 275 basis points. Treasury Bill rates were used by 33 percent of the lenders for their **closed-end** loan rate index. The average spread over Treasury Bill rates was 436 basis points and the median spread was 456 basis points.

Table 2

Spread Over Index

	Open-End Lines		Closed-End Loans	
	1991	1992	1991	1992
Over Prime Rate				
Mean	181 Basis Pts.	171 Basis Pts.	227 Basis Pts.	276 Basis Pts.
Median	200 Basis Pts.	175 Basis Pts.	200 Basis Pts.	275 Basis Pts.
Over Treasury Rate				
Mean	418 Basis Pts.	429 Basis Pts.	429 Basis Pts.	436 Basis Pts.
Median	425 Basis Pts.	400 Basis Pts.	425 Basis Pts.	456 Basis Pts.

The majority (78 percent) of **open-end** lenders could or did adjust their variable rate on a monthly basis, while 10 percent used a daily adjustment (usually around the day the index changed) and 12 percent used a quarterly adjustment period (Table 3). In contrast, 39 percent of the **closed-end** lenders used a monthly adjustment period. The adjustment period for other **closed-end** lenders varied from the 15 percent that used a quarterly adjustment period to the 9 percent that used an annual period for variable rate adjustments. Ten percent of the **open-end** lenders could use a daily adjustment period as could 12 percent of the **closed-end** lenders.

Table 3

Variable Rate Adjustment Period

	Open-End Lines	Closed-End Loans
Daily	10%	12%
Monthly	78%	39%
Quarterly	12%	15%
Annually	0%	9%
Other	0%	25%

1992 versus 1991

The index used for variable rate home equity lines and loans changed very little in 1992. The big change toward *The Wall Street Journal* prime rate took place during the late eighties. The use of *The Wall Street Journal* prime rate as the index for variable rate **open-end** lines increased from 42 percent of the lenders in 1987 to 67 percent in 1992. The use of a bank prime has decreased from 33 percent of lenders in 1987 to 9 percent in 1992. Similarly, the use of a Treasury Bill rate increased over the last three years from 14 percent of lenders in 1987 to 16 percent in 1992.

The average **open-end** lines spread over the indices has fluctuated by only a few basis points over the last four years. Spreads decreased in 1992 as compared to the previous years. The average variable rate spread over the prime rate was 175 basis points in 1992, as compared to 181 basis points in 1991, 175 basis points in 1990, 189 basis points in 1989, 182 basis points in 1988, and 184 basis points in 1987. As will be noted later, home equity fees also dropped slightly in 1992. Thus, lenders have collectively shrunk their spreads and fees.

Monthly adjustment periods have been the most popular adjustment period for **open-end** variable rate lenders during the last five years. Monthly adjustment periods were used by 78 percent of the lenders in 1992, as compared to 73 percent in 1991, 72 percent in 1990, 71 percent in 1989, 64 percent in 1988, and 70 percent in 1987.

Fees

The majority (68 percent) of lenders of **open-end** lines charged appraisal fees (an average of $199) and recording fees (63 percent, for an average of $23) (Exhibits 8 & 9, pgs. 45 - 50). The percent of lenders charging appraisal fees increased to 77 percent in 1991, but dropped to 68 percent in 1992. The percent of lenders charging appraisal fees was in the low sixties in the late 1980s. Recording fees in 1992 dropped from 73 percent of the lenders in 1991. Title insurance charges of $221 were charged by 54 percent of the lenders in 1992, and title search fees of $103 were charged by 37 percent of the lenders in 1992. Both fees and percent of lenders charging for title insurance and title searches decreased in 1992. Annual fees averaged $40 and they were charged by 46 percent

of the lenders in 1992. Both the average fees and the percent of lenders charging annual fees were down slightly in 1992 as compared to the fees and percentages of 1991 and 1990.

In general, the percent of lenders charging fees for various loan-processing activities decreased in 1992 over 1991 and the fees in 1991 were higher than 1990. In 1991 more lenders charged higher fees to cover some of their costs. The average fees charged to **open-end** borrowers in 1992 were $290 and the median fees were $250, compared to $486 and $380 in 1991. It was interesting to observe the range of fees charged were from $0 to $1750. Interestingly, sixty-five percent of the **open-end** lines were booked in 1992 after the lender waived the majority of the fees.

A majority of **closed-end** lenders charged appraisal, recording and title insurance fees. Seventy-nine percent of the lenders charged an average appraisal fee of $188 (Exhibits 10 & 11, pgs. 51 - 56). Seventy-two percent of the lenders charged an average of $22.00 for recording. Title insurance fees of $242 were charged by 53 percent of the **closed-end** lenders. Forty-eight percent of the **closed-end** lenders charged title search fees of an average of $94.00. The percentage of lenders charging fees and the average amount of fees decreased in 1992. The average amount of fees charged to borrowers with **closed-end** loans was $362.59 in 1992, and the median amount was $265.00. However, the majority of fees were waived for 42 percent of **closed-end** loans booked in 1992.

Borrower Options

The majority of **open-end** lines (73.6 percent) could be increased at the borrower's option, with the approval of the lenders (Exhibit 12, pg. 57). The average cost to the borrower of increasing the **open-end** line was $137.26 in 1992 and $113.67 for **closed-end loans**. The average cost of increasing a line was about half of the average cost in 1991. The percentage of lenders allowing an increase at the borrowers option and with the approval of the lenders dropped in 1992 after having increased during the previous four years. The **closed-end** borrowers have the option of increasing their **loans** at 34.5 percent of the lenders. The option to increase a **line** or **loan** makes sense since a current customer's line can often be increased more inexpensively and with less need for an extensive credit check than would be incurred with a new customer.

Almost 30 percent of the lenders allowed the **open-end** borrowers to convert their line from a variable interest rate to a fixed rate. Only 12 percent of the **closed-end** borrowers were allowed to convert their loan from a variable rate to a fixed rate. Finally, 46.1 percent of the lenders allowed the **open-end** borrowers to make interest-only payments and 19.4 percent of the lenders allowed **closed-end** borrowers to make interest-only payments.

Loan Approval

It took a little longer to process home equity **open-end** lines in 1992 than it did in 1991. It took the average lender 14 days to approve a home equity **open-end** line in 1992 (Exhibit 13, pgs. 58 - 60, Exhibit 15, pgs. 64 - 66). The median number of days to approve an **open-end** line was 12.7 days. The processing time was measured from the receipt of the application to the closing of the line. It took only 12.7 days to approve the average **closed-end** loan in 1992 (Exhibit 14, pgs. 61 -

63, Exhibit 16, pgs. 67 - 69), which was almost the same as in 1991. The median number of days for approving a **closed-end** loan was 10 days in 1992.

Open-end lines were approved at the main office (62 percent of the lenders) (Exhibit 15, pgs. 64 - 66). Most of the rest of the applications were processed at the branch level (28 percent). Only 9 percent were approved at a regional office. Home equity **closed-end** loans were processed in a central office or a branch office in approximately the same proportion as with home equity **open-end** lines. Sixty-two percent of home equity **closed-end** loans were approved at the main office and 28 percent at a branch, and 9 percent at a regional office.

Sixty-four (63.6) percent of **open-end** lenders and 62.8 percent of **closed-end** lenders used a judgmental process of approval. Thirty-three percent of the **open-end** lenders used a combination of judgment and credit scoring, as did 34.6 percent of the **closed-end** lenders. Credit scoring was used exclusively by 3.4 percent of **open-end** lenders and by 2.6 percent of **closed-end** lenders.

Seventy-two percent of **open-end** applications and 67 percent of **closed-end** applications were approved in 1992 (Exhibits 13 and 14, pgs. 58 - 63). Approximately the same percentage of **open-end** and **closed-end** applications were approved in 1992 as in previous years. Of the approved applications, 85 percent of the **open-end** lines and 86 percent of the **closed-end** loans actually closed. Thus, once a home equity line/loan was approved it closed over eighty percent of the time. The percent of approved home equity lines/loans closing in 1992 was approximately the same percentage closing in 1990 and 1991.

The majority of home equity lines and loans (58 percent for **open-end** and 55 percent for **closed-end**) had a full appraisal for loan approval (Exhibits 13 and 14, pgs. 58 - 63). Over twenty (23) percent of the lines had a drive-by appraisal for approval of **open-end** lines, 6 percent had the borrower's tax assessment and 9 percent had both tax assessment and a drive-by appraisal. Almost two percent (1.8 percent) of home equity **open-end** lines were approved without an appraisal and another 1.6 percent used some other method of approval. Full appraisals were used for 55 percent of home equity **closed-end** loans. "Drive-by" appraisals were used for 24 percent of the home equity **closed-end** loans in 1992. Finally, 8 percent of **closed-end** loans had a tax assessments, 7 percent had both a tax assessment and drive-by appraisal, 2 percent used some other type of appraisal and 3 percent did not use an appraisal.

Eighty percent of the **open-end** lenders and 94 percent of **closed-end** lenders offered credit life insurance. However, only 15 percent of the **open-end** borrowers and 28 percent of the **closed-end** borrowers actually took the credit life insurance. The average maximum amount of credit life insurance was $57,053 (median was $50,000) for **open-end** borrowers and $72,681 (median was $60,000) for **closed-end** borrowers.

Finally, a majority (59.1 percent of **open-end** lenders and 60.8 percent of **closed-end** lenders) required title insurance for some loans. The requirement was often triggered by the size of the line or loan. These percentages were slightly lower than the comparable percentages in 1991.

Ninety-eight percent of the **open-end** lenders (Exhibit 17, pgs. 70 - 72) and 96 percent of the **closed-end** lenders (Exhibit 18, pgs. 73 - 75) used a debt-to-income formula in this approval process.

The average debt-to-**gross**-income ratio was 38.6 percent of **gross** income for **open-end** lines and 38.9 percent of **gross** income for **closed-end** loans. The average debt-to-**net**-income was 46.0 percent for **open-end** and 45.5 percent for **closed-end** credit in 1992.

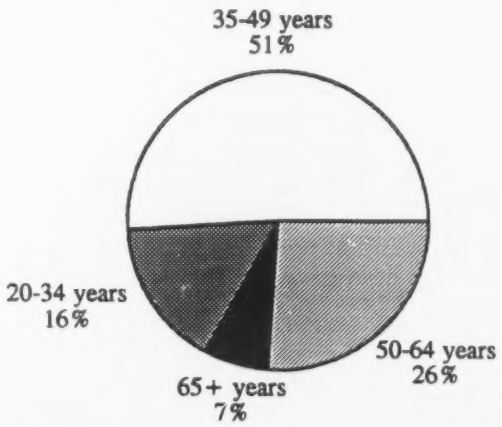
The average maximum loan-to-value ratio for an owner-occupied residence was 78.9 percent (median was 80.0 percent) for **open-end** lines and 79.4 (median was 80 percent) percent for **closed-end** loans. The average maximum loan to value ratio was 70.4 percent for **open-end** lines and 72.2 percent for **closed-end** loans that were secured by a non-owner residence.

Home Equity Borrowers

The average **open-end** borrower had a household income of $51,118 almost the same as in 1991, had 2.8 dependents, had held the same job for 8.7 years (up from 8.6 in 1991) and had owned the same home for 9.1 years (down from 9.6 years in 1991) (Exhibit 19, pgs. 76 - 78). The average **open-end** borrower was between the ages of 35 and 49 years of age (Figure 3). The 35 to 49 years of age bracket represented 51 percent of the **open-end** borrowers. The second largest group of **open-end** borrowers (26 percent) were the next oldest group (50 to 64 years of age). The average **open-end** borrower at a commercial bank had held the same job slightly shorter (8.5 years), than the average borrower at a thrift, (9.6 years). The average household incomes of the borrowers at commercial banks was lower ($49,341) than at thrifts ($61,552). Borrower characteristics were almost the same in 1992 as they were in 1991. The net effect of the slight changes is that borrowers' remain a good credit risk, holding all other factors the same, in 1992 as in previous years. It is also noteworthy that the credit worthiness of home equity borrowers has increased each of the last seven years.

Figure 3

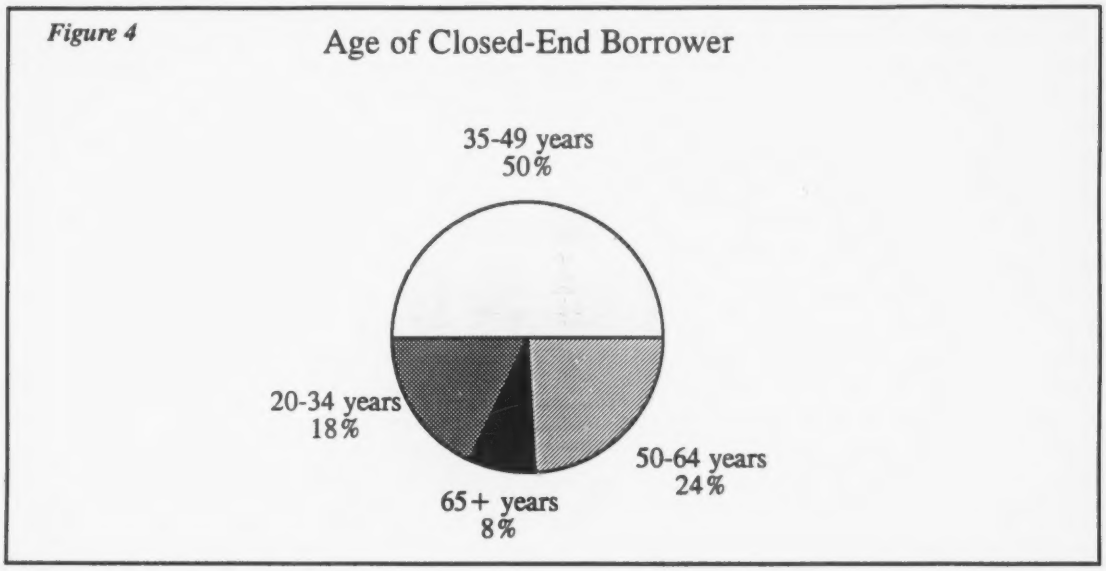
Age of Open-End Borrower



The average **closed-end** borrower had a household income of $45,397 (up 4.7 percent from 1991), had held the same job for 8.6 years down slightly from 8.7 years in 1991 and had owned the same home for 10 years (up from 9.2 years in 1991) (Exhibit 20, pgs. 79 - 81). The average **closed-end** borrower was about the same age as the average **open-end** borrower (Figure 4). The

two largest groups of **closed-end** borrowers were 35 to 49 years old (50 percent of the borrowers) and 50 to 64 years old (24 percent). The youngest category of borrowers (20 to 34 years of age) represented almost 18 percent of the **closed-end** borrowers.

Figure 4

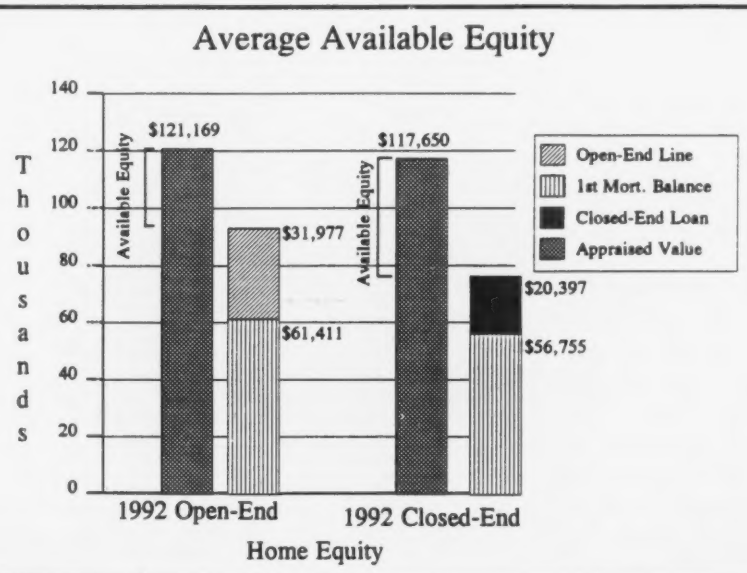


The average actual loan-to-value of the **open-end** and **closed-end** borrowers were 77 and 65 percent, respectively in 1992 (Exhibits 19 & 20, pgs. 76 - 81). Both of these loan-to-values are below the average **maximum** loan-to-value of the **open-end** and **closed-end** lenders, which were 79 percent (Exhibits 19 & 20, pgs. 76 - 81). Given an average **open-end** line of $31,977, an average **first mortgage** balance of $61,411 and an appraised home value of $121,169, the average **open-end** borrower had $27,781 equity after deducting the home equity line and the **first mortgage** (Figure 5). Thus, including the **first mortgage** and the **open-end** line, the average borrower had 77 percent of the appraisal value of the home in loans or potential loans. Using the same logic the average **closed-end** borrower had $40,998 of equity after subtracting the average **first mortgage** balance of $56,255 and **closed-end** loans of $20,397 (Figure 5). Thus, the average **closed-end** borrower had loans (first mortgage plus home equity **closed-end** loan) worth 65 percent of the appraised value of the home.

The average home equity borrower had an approved **open-end** line of $31,977 or a **closed-end** loan of $20,397 (Exhibit 4, pgs. 33 - 35). New borrowers in 1992 received **open-end** lines of, on average, $35,214, or **closed-end** loans, on an average of $29,167. Notably, new **open-end** lines were $3,237 larger than the existing **open-end** lines, and new **closed-end** loans were $8,770 larger than the existing **closed-end** loans. The fact that the average new **closed-end** loans were higher than the average existing **closed-end** loans was not surprising since some of the principal of the existing **closed-end** loans had been paid off. Both new **open-end** lines of credit and **closed-end** loans were larger in 1992 than in 1991. The average borrowers had drawn only 59.6 percent of their approved **open-end** line (Exhibit 3, pgs. 30 - 32). From the lender's perspective, 84.6 percent of all approved

open-end lines were in use at the end of 1992, however only 56.4 percent of all of the approved credit was in use at the end of 1992. These percentages were lower in 1992 than what it was in 1991.

Figure 5



1992 versus 1991

The average household income of **open-end** borrowers was 1.9 percent higher in 1992 than in 1991 ($51,118 versus $50,131). The average number of dependents has remained essentially the same for the last two years. The average number of years at the same job and in the same home went up slightly from the averages of 1991. The average number of years at the same job increased from 8.3 years to 8.6 and the number of years of same home ownership decreased from 9.3 to 9.1. The increase of approximately a third of a year were on top of the increases in 1990 of .1 years on the job and .3 years in the same house.

Reasons for Borrowing

Debt consolidation was the primary reason for home equity borrowing in 1992 (Figure 6 and 7). Debt consolidation was the primary reason for 34 percent of the **open-end** lines and 43 percent of the **closed-end** loans in 1992. Until 1991, home improvement was the primary use of home equity credit. However, in 1992, home improvement was the secondary reason for home equity borrowing. Thirty-one percent of the **open-end** borrowers used the funds for home improvement, and 27 percent of the **closed-end** borrowers used their loan for home improvement (Figures 6 & 7). This use of the funds should be the most satisfying to the lender since it would increase the value of the collateral and thus decrease the inherent risk of the credit. Other uses of home equity credit included automobile, education, medical expenses, investments and other needs for liquidity. Automobile purchases and education expenses were the third and fourth reasons for borrowing against one's home with **open-end** lines of credit and **closed-end** loans in 1991 and 1992.

Figure 6

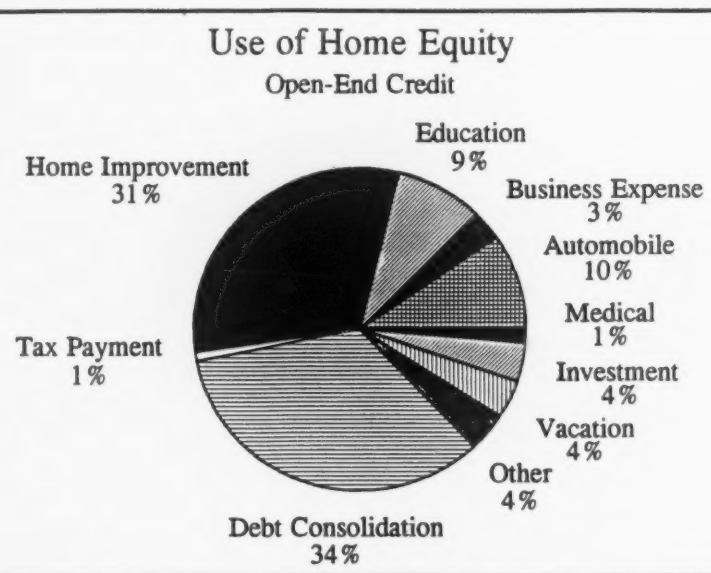
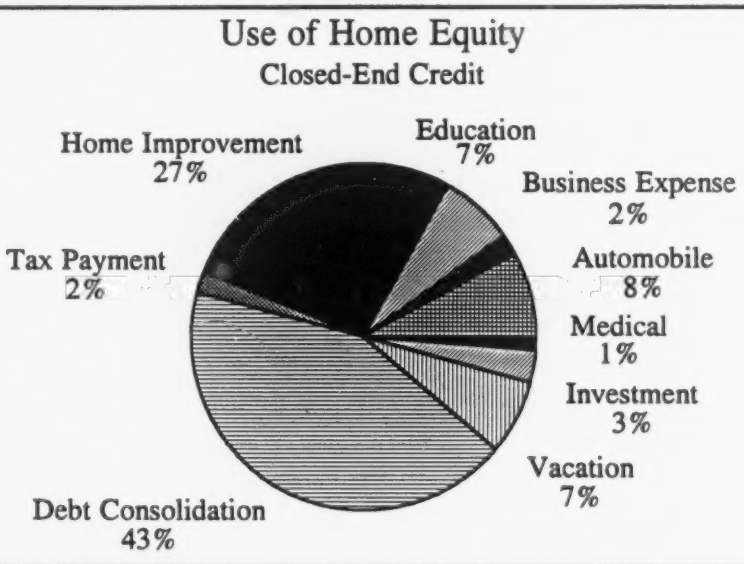


Figure 7



Access to Home Equity Open-end Lines of Credit

Ninety-three percent of all home equity lenders allowed access to home equity **open-end** lines through checks including draft accounts (Exhibit 21, pgs. 82 - 84). Seventy-five percent of the lenders allowed personal withdrawal from the **open-end** line of credit. The average **open-end** borrowers accessed their accounts 10 times in 1992. The average amount of each transaction was $3,721. Borrowers had access to their home equity **lines of credit** via bank counter checks at 61 percent of the lenders. They could access their accounts via their telephone at 40 percent of the lenders, and by ATM at 27 percent of the lenders. Access in the form of overdraft protection was

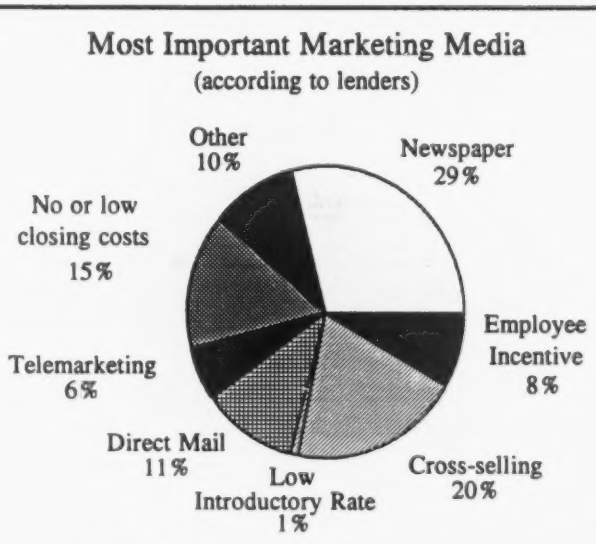
available at 24 percent of the lenders. Finally, access was available by credit card at 18 percent of the lenders in 1992.

The methods of access varied regionally. Sixty-three percent of the Western lenders allowed access to the **open-end** lines via telephone, as compared to only 38 percent of the Southern lenders. Access to home equity **lines of credit** via the telephone has increased in all regions over the last three years. ATMs were more popular in the Northeast (36 percent of the lenders) than in the West (13 percent).

Marketing Methods

Newspapers remained the most important marketing tool in 1992 (Figure 8). Twenty-nine percent of all lenders selected newspapers as their most important marketing media. Newspapers have been listed as the most important media for each of the past seven years. In 1989 newspapers were listed by a fourth of all lenders as the most important marketing tool, but by 1991, newspapers were listed as most important by almost a third of the lenders. Low or no closing costs were listed as the most important marketing tool by 15 percent of the lenders. This was approximately the same proportion as in 1989, but was slightly lower than last year. Twenty percent of the lenders selected cross-selling as their most important marketing method, and eleven percent selected direct mail. Low introductory interest rates were selected by only one percent of the lenders as the most important marketing tool. Employee incentives were listed by 8 percent of the lenders as the most important marketing tool. Newspapers, radio, television, statement stuffers, no or low closing costs and low introductory rates dropped in importance in 1992 as compared to 1991. However, cross-selling, increased in importance during 1992. This was the second year that cross-selling increased in importance to the average lender. Direct mail also increased in importance in 1992 as compared to 1991.

Figure 8



Cross-selling had the highest ranking of marketing methods with a rank of 5.1 on a scale of 1 to 6, where 6 was was very important and 1 was not important (Table 3). Low or no closing costs had the second ranking of 4.7. Next came three methods that were grouped together, word-of-mouth had 4.3, newspapers had 4.2, and direct mail had 4.2. It is interesting to note that newspapers had a value of 4.2 when 29 percent (Figure 8) of the lenders selected it as the "most important" if they had to choose one" method. Thus, if forced to choose only one method, 29 percent of lenders would choose newspapers, and 20 percent would choose cross-selling.

Table 4

Ranking of Marketing Methods (according to lenders)

Method	Ranking*
Cross-Selling	5.1
Low or No Closing Costs	4.7
Word-of-Mouth	4.3
Newspaper	4.2
Direct Mail	4.2
Telemarketing	3.5
Brochures	3.5
Employee Incentive	3.4
Statement Stuffers	3.4
Radio	3.0
Low Introductory Interest Rates	2.9
Community Events	2.3
Television	2.2
Accountant or Attorney Reference	2.0
Billboards	1.9
Realtor Referrals	1.8
Construction Company Referrals	1.5
Magazines	1.4

* On a scale of 1 to 6 where 6 was very important and 1 was not important.

Delinquent Lines and Loans

Delinquency rates for home equity **open-end** lines were, as expected, below those for consumer credit (excluding unsecured credit cards) (Exhibit 22, pgs. 85 - 87). The delinquency rate for **open-end** home equity credit was 1.27 percent in 1992, as compared to the consumer credit (excluding unsecured credit cards) rate of 2.07 percent. The rate of delinquencies of **open-end** lines and the rate of delinquencies of consumer loans (excluding unsecured credit cards) decreased in 1992. The delinquency rate of **closed-end** home equity loans was 2.45 percent. This rate was higher than the **open-end** home equity credit rate and the consumer credit delinquency rate. Thrifts tended to have a higher rate of delinquencies than than at commercial banks.

Foreclosures and Charge-offs

The average lender foreclosed only eight **open-end** home-equity lines in 1992 (Exhibit 23, pg. 88).The average amount of foreclosed **open-end** lines was $528,084. The average line was 50 percent (median 74 percent) outstanding when it was foreclosed. Some lenders' lines were more than 100 percent outstanding at the time of foreclosure because of added interest in arrears to the underlying obligation. The median lender had one foreclosure for a total of $35,259. The difference between the mean and the median statistic reflects the difference in the size of the respondents and the corresponding amounts of home equity credit. The average foreclosed **open-end** line was $53,323 in 1992. The percent of home equity **open-end** lines foreclosed in 1992 was .05 percent of the number of home equity lines of credit. However, relative to other forms of lending, the percent of **open-end** lines foreclosed in 1992 remained very small.

The average lender had 21 foreclosed **closed-end** home equity loans in 1992 (Exhibit 24, pg. 89). The amount of the foreclosed home equity loans was $840,407 at the average lender. The fact that there were more foreclosed **closed-end** loans than foreclosed **open-end** lines may reflect that the average **open-end** line is newer than the average **closed-end** loan. The median number of foreclosed **closed-end** loans was two and median dollar amount of foreclosed loans was $64,192. The amount of the average foreclosed **closed-end** loan was $39,011 and the median loan was $31,159.

Foreclosures of **open-end** lines were lower in terms of dollars foreclosed and number of foreclosures in 1992 than in 1992. Foreclosures of **closed-end** loans were up slightly in 1992. The decrease in **open-end** foreclosures could also be seen in the decrease in **open-end** delinquencies and in **open-end** charge-offs.

The average lenders had 19 charged-off **open-end** lines in 1992 (Exhibit 23, p. 88). The median number was 2. The average amount charged-off was $844,253 (the median was $92,647). The average amount charged-off per **open-end** line in 1992 was $44,027.

The average lender had 40 charged-off **closed-end** loans in 1992. The average amount charged-off was $1,108,905 and the amount charged-off per **closed-end** loan was $29,547. The median lender charged-off 7 **closed-end** loans for a total of $136,758.

Seventeen percent of the home equity **open-end** credit charge-offs were due to the personal bankruptcy of the borrowers. Twenty percent of the home equity **closed-end** loans charged-off were due to the personal bankruptcy of the borrower. In contrast, almost 26 percent of consumer credit net charge-offs were a result of personal bankruptcy.

Adjustment Caps

Only 11.5 percent of the lenders have annual adjustment caps on their variable rate **open-end** lines, and 15 percent of the **closed-end** lenders have annual caps (Exhibits 25 & 26, pgs. 90 - 91). Ninety-seven percent of home equity **open-end** lenders have lifetime interest rate caps on their variable rates lines of credit. Seventy-two percent of **closed-end** lenders have lifetime interest rate

caps on their variable interest rate loans. The average lifetime interest rate cap was 19.5 percent(median was 18 percent) for **open-end** lines and 20.2 percent (median was 19.9 percent) for **closed-end** loans. Thirty-five percent of the **open-end** lenders and 22 percent of the **closed-end** lenders had lifetime floor interest rates which were an average of 6.8 (median 8 percent) and 6.0 percent (median 7.5 percent), respectively.

Secondary Markets and Securitization

Only 4.4 percent of all lenders sold home equity **open-end** lines in 1992 and 6.4 percent sold **closed-end** loans (Exhibit 27, pg. 92). Both of these percentages are lower than their levels in 1991, which were more than double the rates of 1990. A greater percent of the lenders bought rather than sold **open-end** lines (17.8 percent bought **open-end** lines) and **closed-end** loans (21.8 percent bought **closed-end** loans). The growth in the secondary market for home equity products has apparently plateaued, perhaps because of current economic conditions.

Nine percent of the **open-end** lenders and 8 percent of the **closed-end** lenders currently securitize their home equity credit. One percent of **open-end** lenders and 0 percent of **closed-end** lenders plan to start securitization of home equity credit in 1993.

Periodic Reviews

Periodic reviews are used by 83.3 percent of **open-end** lenders as compared to 84.7 percent in 1991 and only 82 percent in 1990 (Exhibit 28, pg. 93). The most frequently used review period (58 percent) was an annual review. Only 13.9 percent of the home equity **closed-end** lenders used periodic reviews for **closed-end** loans.

Approximately 66 percent of the **open-end** lenders used an account monitoring system as compared to 58 percent in 1991 and 52 percent in 1990. The most frequently used account monitoring system were internal reports (54 percent of the lenders). External vendor reports, such as a credit bureau report or other service, were used by 42 percent of the lenders. The use of external vendors report dropped from 1991. Four percent of the **open-end** lenders use a periodic review at maturity or reissue. Twenty-four percent of home equity lenders used an account monitoring for **closed-end** loans.

Marketing, Origination and Servicing Costs

The average lender spent $135.24 for marketing and advertising each home equity **line of credit** (the median per **line** cost was $90.35). The marketing and advertising costs of the home equity **closed-end** loan was $172.53 per loan (the median cost per **loan** was $55.39).

The average lender's origination costs (including credit bureau and advertising) was $388.86 per home equity **line of credit** (the median costs was $300.00 per **line**). The average lender's origination costs of home equity **closed-end** loans were $446.00 (the median costs were $298.89

per loan). For both the home equity **open-end** lines and home equity **closed-end** loans, there were a few lenders with costs per line or loan that were more than triple the average costs.

The average servicing costs (including collections, customer service, and item processing) were $117.03 per home equity **line of credit** (the median costs were $77.50 per **line**). Similar to the marketing costs, the cost of home equity **closed-end** loans was more than for **lines of credit**. The average lender spend $120.96 on servicing cost per home equity **closed-end** loan (the median cost was $98.66 per **closed-end** loan). Five percent of home equity lenders serviced **open-end** lines for others. A slightly higher percentage (6 percent) serviced **closed-end** loans for others.

Origination

Most home equity lines and loans are originated at the branch level. Seventy percent of home equity **open-end** lines are originated at a branch and only 20 percent are originated at the central office (Figure 9). Phone and mail represented approximately 5 and 4 percent, respectively, of the originations of home equity **lines of credit.** Finally, brokers, dealers and other sources originated approximately 1 percent of the home equity **lines.**

Similarly, origination of home equity **closed-end** loans primarily takes place at a branch. Seventy-five percent of closed-end loans were originated at the branch level (Figure 10). Fourteen percent of home equity **closed-end** loans were originated at the central office. The remaining home equity **closed-end** loans were originated by phone (4 percent), by mail (2 percent), and by other means (5 percent).

Figure 9

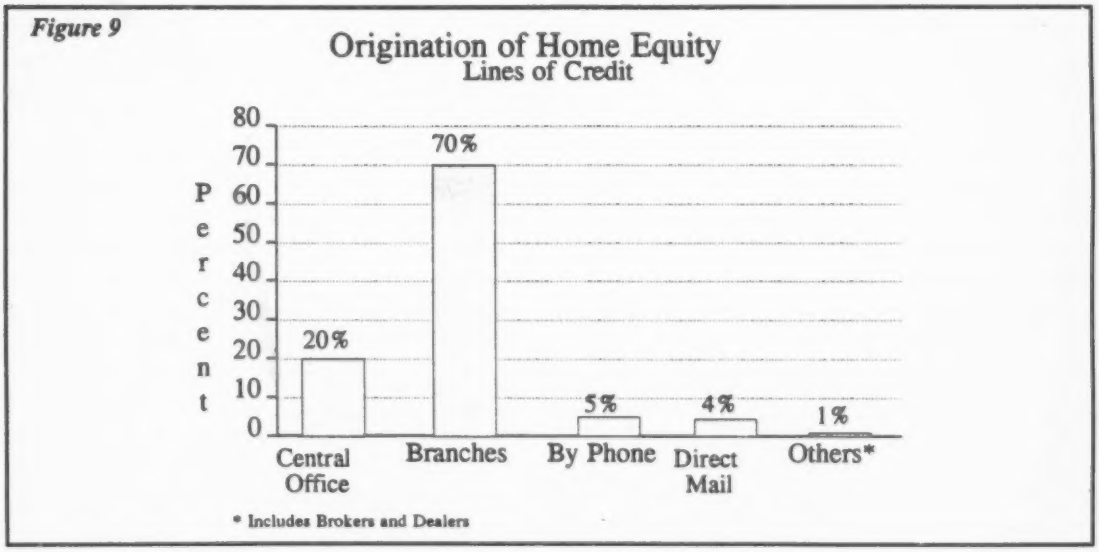
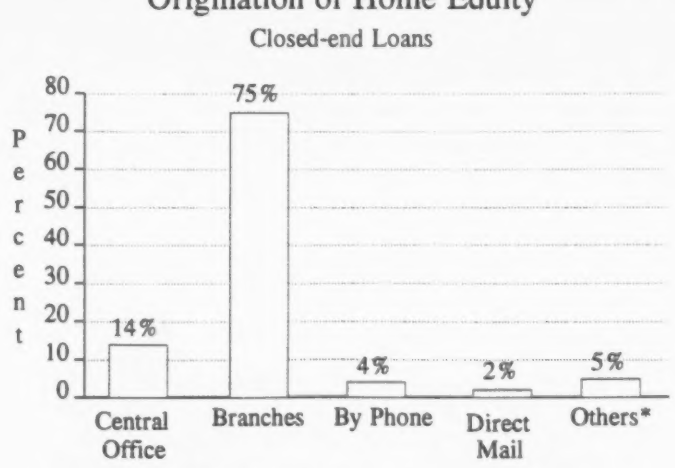


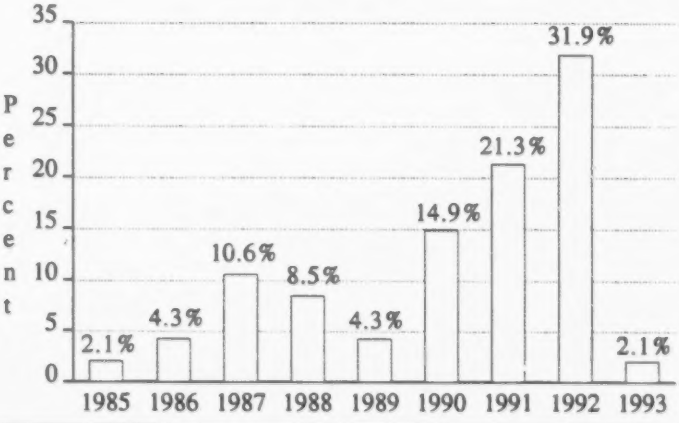
Figure 10



Quality Initiatives

A formal quality initiative, such as total quality management (TQM) and quality assurance have taken a hold in the financial services industry. Sixty-eight percent of the home equity lenders in this study currently have a "formal quality initiative" (including TQM) in their organization. Most of the quality programs have begun only during the last three years (see Figure 11).

Figure 11



Benchmarking

For the questions below, we have listed the least time, cost or loss report in this survey. These numbers can be used as a possible benchmark for the best case. It should be recognized, however,

these numbers are not necessarily "optimal"or even the "best"for all lenders. They merely represent the lowest answer to the appropriate question in this survey.

For benchmarking purposes, the data was split into three groups based on the amount of home equity credit. The smallest group of 19 lenders had less than $100,000,000 of home equity credit (**open-end** lines and **closed-end** loans). The median group of 34 lenders had between $100,000,000 and $1,000,000,000 home equity credit and, the largest group of 19 lenders had more than $1,000,000,000 of home equity credit.

Processing	**Benchmark**			**Mean**
	Small* Home Equity Portfolios	**Medium** Home Equity Portfolios**	**Large*** Home Equity Portfolios**	
Average "turnaround" or processing time for home equity **lines** from application to final approval in calendar days.	1	1	1	14.0 days
Average "turnaround" or processing time for home equity **loans** from application to final approval in calendar days.	1	1	1	12.7 days
What percent of applications for home equity **lines-of-credit** are approved?	95%	98%	90%	72.5%
What percent of applications for home equity **closed-end** loans are approved?	95%	98%	90%	67.0%
What percent of approved applications for home equity **lines-of-credit** actually close?	100%	99%	98%	85.9%
What percent of approved applications for home equity **closed-end** loans actually close?	100%	100%	98%	86.4%
Delinquencies and Foreclosures				
Percent of dollar of home equity **lines-of-credit** that are delinquent	0%	0%	0%	0%

	Small* Home Equity Portfolios	Benchmark Medium** Home Equity Portfolios	Large*** Home Equity Portfolios	Mean
Delinquencies and Foreclosures (continued)				
Percent of dollars of home equity **closed-end** loans that are delinquent.	0%	0%	0%	0%
Percent of dollars of home equity **lines-of-credit** that were charged-off in 1992.	0%	0%	0%	0%
Percent of dollars of home equity **closed-end** loans that were charged-off in 1992.	0%	0%	0%	0%
Percent of dollars of home equity **lines-of-credit** that were foreclosed in 1992.	0%	0%	0%	0%
Percent of dollars of home equity **closed-end** loans that were foreclosed in 1992.	0%	0%	0%	0%
Costs				
What are your home equity lending marketing and advertising costs in 1992 per **line-of credit**?	$25	$0	$0	$135.24
What are your home equity lending marketing and advertising costs per **closed-end** loan?	$0	$0	$0	$172.53
What are your origination costs (including credit bureau, and advertising) per **line-of-credit** loan?	$28	$70	$160	$388.86
What are your origination costs (including credit bureau, and advertising) per **closed-end** loan?	$21	$49	$180	$446.00

	Benchmark			Mean
	Small* Home Equity Portfolios	Medium** Home Equity Portfolios	Large*** Home Equity Portfolios	
Costs (continued)				
What are your servicing costs (including collections, customer service, and item processing) per **line of credit**?	$26	$30	$32	$117.03
What are your servicing costs (including collections, customer service, and item processing) per **closed-end** loan?	$35	$30	$32	$120.96

* Small home equity portfolios had less than $100,000,000 of home equity credit (**revolving** plus **closed-end**) (n =19)

** Medium home equity portfolios had between $100,000,000 and $1,000,000,000 in home equity credit . (n =34)

***Large home equity portfolios had more than $1,000,000,000 in home equity credit (n =19)

Exhibits

EXHIBIT 1A

INSTITUTION CHARACTERISTICS
($000,000)

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ASSET SIZE			
Mean	$11,574	$4,032	$10,401
Median	$3,014	$2,750	$3,014
NO. OF BRANCHES OR BANKS			
Mean	156	71	143
Median	61	57	58
RETURN ON ASSETS			
Mean	1.02%	1.67%	1.09%
Median	1.10%	1.82%	1.13%
RETURN ON EQUITY			
Mean	13.8%	22.7%	15.0%
Median	15.2%	23.3%	15.4%
NUMBER OF RESPONDENTS	78	15	93

EXHIBIT 1B

INSTITUTION CHARACTERISTICS
($000,000)

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
ASSET SIZE			
Mean	$543	$2,543	$24,697
Median	$543	$2,332	$17,043
NO. OF BRANCHES OR BANKS			
Mean	16	70	306
Median	13	58	212
RETURN ON ASSETS			
Mean	1.12%	1.30%	.87%
Median	1.27%	1.25%	1.05%
RETURN ON EQUITY			
Mean	13.4%	19.7%	11.9%
Median	15.4%	16.6%	15.3%
NUMBER OF RESPONDENTS	23	33	34

EXHIBIT 1C

INSTITUTION CHARACTERISTICS
($000,000)

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
ASSET SIZE				
Mean	$29,380	$7,026	$10,112	$8,929
Median	$9,341	$2,335	$2,122	$4,137
NO. OF BRANCHES OR BANKS				
Mean	279	87	136	168
Median	100	36	29	99
RETURN ON ASSETS				
Mean	.90%	1.10%	.96%	1.33%
Median	.88%	1.19%	1.02%	1.29%
RETURN ON EQUITY				
Mean	12.4%	12.6%	14.4%	19.0%
Median	12.4%	15.8%	14.1%	16.9%
NUMBER OF RESPONDENTS	9	25	29	27

EXHIBIT 2A

CONSUMER AND HOME EQUITY LINES/LOANS
($000)

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
DOLLARS OF CONSUMER CREDIT			
Mean	$1,451,642	$772,207	$1,378,189
NUMBER OF OPEN-END LINES			
Mean	17,526	10,048	16,350
DOLLARS OF APPROVED OPEN-END LINES			
Mean	$618,406	$372,278	$579,249
NUMBER OF OUTSTANDING OPEN-END LINES			
Mean	11,540	9,283	11,225
DOLLARS OF OUTSTANDING OPEN-END LINES			
Mean	$339,547	$235,026	$324,450
NUMBER OF CLOSED-END LOANS			
Mean	9,541	12,129	9,995
DOLLARS OF APPROVED CLOSED-END LOANS			
Mean	$246,400	$290,960	$254,124

EXHIBIT 2B

CONSUMER AND HOME EQUITY LINES/LOANS
($000)

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
DOLLARS OF CONSUMER CREDIT			
Mean	$130,804	$602,248	$3,259,097
NUMBER OF OPEN-END LINES			
Mean	1,358	6,914	34,753
DOLLARS OF APPROVED OPEN-END LINES			
Mean	$35,119	$241,543	1,301,241
NUMBER OF OUTSTANDING OPEN-END LINES			
Mean	1,282	6,128	25,036
DOLLARS OF OUTSTANDING OPEN-END LINES			
Mean	$19,108	$143,407	$701,966
NUMBER OF CLOSED-END LOANS			
Mean	958	8,992	15,898
DOLLARS OF APPROVED CLOSED-END LOANS			
Mean	$13,887	$193,010	$442,262

EXHIBIT 2C

CONSUMER AND HOME EQUITY LINES/LOANS
($000)

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
DOLLARS OF CONSUMER CREDIT				
Mean	$1,659,937	$644,582	$1,327,032	$2,229,594
NUMBER OF OPEN-END LINES				
Mean	30,704	7,923	18,206	18,192
DOLLARS OF APPROVED OPEN-END LINES				
Mean	1,802,806	$248,232	$620,837	$495,890
NUMBER OF OUTSTANDING OPEN-END LINES				
Mean	7,710	5,728	16,535	11,970
DOLLARS OF OUTSTANDING OPEN-END LINES				
Mean	$892,537	$153,760	$363,947	$263,667
NUMBER OF CLOSED-END LOANS				
Mean	21,528	4,024	8,156	13,361
DOLLARS OF APPROVED CLOSED-END LOANS				
Mean	$705,495	$70,485	$204,844	$325,994

EXHIBIT 3A

OUTSTANDING HOME EQUITY OPEN-END LINES AS A PERCENT OF APPROVED LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PERCENT OF LINES IN USE			
Mean	83.7%	89.6%	84.6%
Median	83.6%	90.9%	84.1%
PERCENT OF APPROVED OPEN-END CREDIT OUTSTANDING			
Mean	56.2%	57.5%	56.4%
Median	56.4%	56.3%	56.4%

EXHIBIT 3B

OUTSTANDING HOME EQUITY OPEN-END LINES AS A PERCENT OF APPROVED LINES

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
PERCENT OF LINES IN USE			
Mean	89.1%	83.9%	81.4%
Median	88.3%	83.9%	82.9%
PERCENT OF APPROVED OPEN-END CREDIT OUTSTANDING			
Mean	57.4%	57.0%	54.2%
Median	56.3%	57.3%	54.7%

EXHIBIT 3C

OUTSTANDING HOME EQUITY OPEN-END LINES AS A PERCENT OF APPROVED LINES

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
PERCENT OF LINES IN USE				
Mean	74.8%	87.8%	84.4%	83.7%
Median	76.0%	90.6%	83.8%	84.4%
PERCENT OF APPROVED OPEN-END CREDIT OUTSTANDING				
Mean	54.2%	59.9%	57.6%	52.2%
Median	57.0%	57.9%	56.7%	53.4%

EXHIBIT 4A

AVERAGE SIZE OF LINES AND LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
AVERAGE APPROVED OPEN-END LINE			
Mean	$31,502	$34,420	$31,977
Median	$28,530	$32,702	$29,448
AVERAGE OUTSTANDING OPEN-END LINE			
Mean	$21,257	$20,794	$21,193
Median	$19,068	$18,900	$18,922
AVERAGE NEW OPEN-END LINE			
Mean	$35,247	$35,068	$35,214
Median	$31,329	$33,865	$33,821
AVERAGE CLOSED-END LOAN			
Mean	$20,232	$21,156	$20,397
Median	$18,466	$21,082	$18,487
AVERAGE NEW CLOSED-END LOAN			
Mean	$28,715	$31,100	$29,167
Median	$23,379	$29,078	$25,715

EXHIBIT 4B

AVERAGE SIZE OF LINES AND LOANS

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
AVERAGE APPROVED OPEN-END LINE			
Mean	$24,071	$32,163	$36,726
Median	$22,730	$30,264	$33,273
AVERAGE OUTSTANDING OPEN-END LINE			
Mean	$15,053	$22,478	$24,960
Median	$13,725	$21,001	$23,400
AVERAGE NEW OPEN-END LINE			
Mean	$26,221	$32,908	$42,885
Median	$24,631	$33,777	$40,832
AVERAGE CLOSED-END LOAN			
Mean	$13,083	$21,314	$23,103
Median	$12,973	$20,050	$21,283
AVERAGE NEW CLOSED-END LOAN			
Mean	$20,150	$32,557	$29,344
Median	$17,681	$28,619	$28,759

EXHIBIT 4C

AVERAGE SIZE OF LINES AND LOANS

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
AVERAGE APPROVED OPEN-END LINE				
Mean	$43,618	$30,169	$30,343	$31,527
Median	$43,122	$24,137	$28,763	$30,094
AVERAGE OUTSTANDING OPEN-END LINE				
Mean	$30,240	$20,384	$20,239	$20,669
Median	$29,436	$15,838	$17,523	$19,646
AVERAGE NEW OPEN-END LINE				
Mean	$41,670	$32,705	$29,479	$41,897
Median	$47,624	$25,535	$26,199	$38,021
AVERAGE CLOSED-END LOAN				
Mean	$26,864	$15,401	$20,677	$21,609
Median	$27,043	$14,019	$20,050	$20,864
AVERAGE NEW CLOSED-END LOAN				
Mean	$38,528	$20,054	$27,201	$33,889
Median	$33,098	$18,786	$28,307	$29,078

EXHIBIT 5A

NEW OPEN-END LINES ORIGINATED IN 1992

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
NUMBER OF NEW OPEN-END LINES ORIGINATED 1992			
Mean	2,810	2,436	2,751
Median	1,045	1,746	1,175
DOLLAR AMT OF OPEN-END LINES ORIGINATED 1992 (000)			
Mean	$130,272	$92,761	$123,306
Median	$46,689	$59,129	$48,244
AVERAGE NEW OPEN-END LINE			
Mean	$35,247	$35,068	$35,214
Median	$31,329	$33,865	$33,821

EXHIBIT 5B

NEW OPEN-END LINES ORIGINATED IN 1992

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
NUMBER OF NEW OPEN-END LINES ORIGINATED 1992			
Mean	434	1,697	5,556
Median	241	1,175	3,230
DOLLAR AMT OF OPEN-END LINES ORIGINATED 1992 (000)			
Mean	$13,086	$63,653	$255,951
Median	$5,881	$49,800	$152,346
AVERAGE NEW OPEN-END LINE			
Mean	$26,221	$32,908	$42,885
Median	$24,631	$33,777	$40,832

EXHIBIT 5C

NEW OPEN-END LINES ORIGINATED IN 1992

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
NUMBER OF NEW OPEN-END LINES ORIGINATED 1992				
Mean	6,444	1,861	2,804	2,390
Median	1,632	762	522	1,746
DOLLAR AMT OF OPEN-END LINES ORIGINATED 1992 (000)				
Mean	$379,719	$78,056	$117,964	$107,890
Median	$89,372	$40,179	$16,003	$60,146
AVERAGE NEW OPEN-END LINE				
Mean	$41,670	$32,705	$29,479	$41,897
Median	$47,624	$25,535	$26,199	$38,021

EXHIBIT 6A

NEW CLOSED-END LOANS
ORIGINATED IN 1992

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
NUMBER OF NEW CLOSED-END LOANS ORIGINATED 1992			
Mean	3,353	3,669	3,408
Median	1,220	1,780	1,277
DOLLAR AMT OF CLOSED-END LOANS ORIGINATED 1992 (000)			
Mean	$102,433	$130,797	$108,579
Median	$35,559	$43,185	$37,033
AVERAGE NEW CLOSED-END LOAN			
Mean	$28,715	$31,100	$29,167
Median	$23,379	$29,078	$25,715

EXHIBIT 6B

NEW CLOSED-END LOANS ORIGINATED IN 1992

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
NUMBER OF NEW CLOSED-END LOANS ORIGINATED 1992			
Mean	463	2,948	5,176
Median	255	1,652	2,479
DOLLAR AMT OF CLOSED-END LOANS ORIGINATED 1992 (000)			
Mean	$8,913	$96,696	$166,052
Median	$4,195	$39,704	$56,274
AVERAGE NEW CLOSED-END LOAN			
Mean	$20,150	$32,557	$29,344
Median	$17,681	$28,619	$28,759

EXHIBIT 6C

NEW CLOSED-END LOANS ORIGINATED IN 1992

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
NUMBER OF NEW CLOSED-END LOANS ORIGINATED 1992				
Mean	4,676	1,658	5,179	3,411
Median	2,444	751	1,523	1,693
DOLLAR AMT OF CLOSED-END LOANS ORIGINATED 1992 (000)				
Mean	$177,336	$44,469	$124,628	$131,611
Median	$39,000	$18,684	$52,843	$39,704
AVERAGE NEW CLOSED-END LOAN				
Mean	$38,528	$20,054	$27,201	$33,889
Median	$33,098	$18,786	$28,307	$29,078

EXHIBIT 7A

VARIABLE RATE LINES AND LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PERCENT OF LINES WITH VARIABLE RATE	94.9%	100.0%	95.7%
PERCENT OF LOANS WITH VARIABLE RATE	13.1%	15.5%	13.5%

EXHIBIT 7B

VARIABLE RATE LINES AND LOANS

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
PERCENT OF LINES WITH VARIABLE RATE	93.6%	97.3%	95.3%
PERCENT OF LOANS WITH VARIABLE RATE	10.2%	13.2%	17.4%

EXHIBIT 7C

VARIABLE RATE LINES AND LOANS

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
PERCENT OF LINES WITH VARIABLE RATE	86.9%	92.9%	98.3%	98.8%
PERCENT OF LOANS WITH VARIABLE RATE	19.9%	15.6%	15.3%	7.6%

EXHIBIT 8A

% OF LENDERS CHARGING FEE FOR OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ANNUAL FEE	47%	42%	46%
PER TRANSACTION	5%	0%	4%
APPLICATION FEE	7%	36%	11%
APPRAISAL FEE	67%	75%	68%
ATTORNEY FEE	26%	50%	29%
CLOSING FEE	5%	13%	6%
COMMITMENT FEE	2%	0%	1%
CREDIT-CHECK FEE	17%	25%	18%
FLOOD CERTIFICATE	24%	13%	23%
LOAN SET-UP FEE	3%	0%	3%
MORTGAGE TAX	5%	40%	10%
POINTS	3%	11%	4%
PROPERTY REPORT FEE	13%	13%	13%
RECORDING FEE	66%	50%	63%
SUBORDINATION FEE	31%	13%	29%
TITLE INSURANCE	52%	62%	54%
TITLE SEARCH	35%	45%	37%

EXHIBIT 8B

% OF LENDERS CHARGING FEE FOR OPEN-END LINES

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
ANNUAL FEE	48%	44%	45%
PER TRANSACTION	0%	10%	3%
APPLICATION FEE	0%	14%	13%
APPRAISAL FEE	77%	73%	55%
ATTORNEY FEE	33%	41%	17%
CLOSING FEE	0%	15%	3%
COMMITMENT FEE	0%	0%	3%
CREDIT-CHECK FEE	30%	15%	13%
FLOOD CERTIFICATE	17%	15%	30%
LOAN SET-UP FEE	0%	5%	3%
MORTGAGE TAX	0%	15%	10%
POINTS	0%	10%	3%
PROPERTY REPORT FEE	12%	20%	10%
RECORDING FEE	82%	62%	52%
SUBORDINATION FEE	24%	36%	29%
TITLE INSURANCE	37%	64%	55%
TITLE SEARCH	45%	39%	30%

EXHIBIT 8C

% OF LENDERS CHARGING FEE FOR OPEN-END LINES

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
ANNUAL FEE	78%	86%	22%	25%
PER TRANSACTION	38%	0%	0%	0%
APPLICATION FEE	25%	19%	9%	4%
APPRAISAL FEE	67%	76%	54%	73%
ATTORNEY FEE	0%	8%	29%	48%
CLOSING FEE	0%	0%	0%	13%
COMMITMENT FEE	0%	0%	0%	4%
CREDIT-CHECK FEE	11%	7%	35%	13%
FLOOD CERTIFICATE	33%	29%	9%	26%
LOAN SET-UP FEE	13%	0%	5%	0%
MORTGAGE TAX	0%	7%	14%	13%
POINTS	22%	0%	0%	4%
PROPERTY REPORT FEE	0%	8%	24%	8%
RECORDING FEE	56%	76%	50%	65%
SUBORDINATION FEE	63%	21%	26%	22%
TITLE INSURANCE	56%	61%	42%	56%
TITLE SEARCH	0%	53%	27%	40%

EXHIBIT 9A

FEES CHARGED FOR OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ANNUAL FEE	$41	$33	$40
PER TANSACTION	$8	.	$8
APPLICATION FEE	$116	$181	$153
APPRAISAL FEE	$196	$219	$199
ATTORNEY FEE	$228	$198	$222
CLOSING FEE	$83	$99	$87
COMMITMENT FEE	.	.	.
CREDIT-CHECK FEE	$9	$2	$9
FLOOD CERTIFICATE	$15	$3	$14
LOAN SET-UP FEE	$300	$14	$157
MORTGAGE TAX	$339	$137	$272
POINTS	1.1	1.0	1.1
PROPERTY REPORT FEE	$52	$100	$57
RECORDING FEE	$22	$33	$23
SUBORDINATION FEE	$65	$75	$65
TITLE INSURANCE	$219	$240	$221
TITLE SEARCH	$104	$93	$103

EXHIBIT 9B

FEES CHARGED FOR OPEN-END LINES

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
ANNUAL FEE	$37	$38	$43
PER TANSACTION	.	$8	$10
APPLICATION FEE	.	$133	$200
APPRAISAL FEE	$153	$204	$244
ATTORNEY FEE	$178	$238	$250
CLOSING FEE	.	$87	.
COMMITMENT FEE	.	.	.
CREDIT-CHECK FEE	$10	$7	$8
FLOOD CERTIFICATE	$14	$7	$17
LOAN SET-UP FEE	.	$14	$300
MORTGAGE TAX	.	$268	$319
POINTS	.	1.1	1.0
PROPERTY REPORT FEE	$51	$67	$49
RECORDING FEE	$21	$22	$26
SUBORDINATION FEE	$28	$79	$69
TITLE INSURANCE	$169	$289	$182
TITLE SEARCH	$89	$123	$87

EXHIBIT 9C

FEES CHARGED FOR OPEN-END LINES

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
ANNUAL FEE	$49	$39	$31	$41
PER TANSACTION	$8	.	.	.
APPLICATION FEE	$99	$183	$113	$199
APPRAISAL FEE	$230	$163	$177	$236
ATTORNEY FEE	.	$150	$156	$254
CLOSING FEE	.	.	$150	$66
COMMITMENT FEE	.	.	.	.
CREDIT-CHECK FEE	$10	$4	$10	$7
FLOOD CERTIFICATE	$9	$13	.	$19
LOAN SET-UP FEE	$300	.	.	$14
MORTGAGE TAX	.	$85	$369	$68
POINTS	1.5	.0	1.0	1.0
PROPERTY REPORT FEE	.	$75	$40	$78
RECORDING FEE	$15	$14	$31	$27
SUBORDINATION FEE	$75	$15	$66	$82
TITLE INSURANCE	$169	$175	$467	$112
TITLE SEARCH	.	$104	$93	$110

EXHIBIT 10A

FEES CHARGED FOR CLOSED-END LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ANNUAL FEE	.	.	.
APPLICATION FEE	$54	$113	$65
APPRAISAL FEE	$179	$234	$188
ATTORNEY FEE	$243	$218	$237
CLOSING FEE	$85	.	$85
COMMITMENT FEE	$220	.	$220
CREDIT-CHECK FEE	$42	$4	$29
FLOOD CERTIFICATE	$11	$14	$11
LOAN SET-UP FEE	$42	$150	$69
MORTGAGE TAX	$445	$78	$215
POINTS	2.0	1.3	1.7
PROPERTY REPORT FEE	$52	$100	$61
RECORDING FEE	$21	$25	$22
SUBORDINATION FEE	$65	$75	$66
TITLE INSURANCE	$251	$209	$242
TITLE SEARCH	$93	$96	$94

EXHIBIT 10B

FEES CHARGED FOR CLOSED-END LOANS

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
ANNUAL FEE	.	.	.
APPLICATION FEE	$50	$100	$48
APPRAISAL FEE	$153	$190	$205
ATTORNEY FEE	$174	$244	$262
CLOSING FEE	$50	$94	.
COMMITMENT FEE	$40	.	$400
CREDIT-CHECK FEE	$12	$59	$6
FLOOD CERTIFICATE	$14	$12	$10
LOAN SET-UP FEE	$25	$100	$50
MORTGAGE TAX	.	$227	$225
POINTS	.	1.6	1.9
PROPERTY REPORT FEE	$48	$72	$48
RECORDING FEE	$22	$23	$20
SUBORDINATION FEE	$43	$66	$73
TITLE INSURANCE	$143	$249	$265
TITLE SEARCH	$79	$131	$80

EXHIBIT 10C

FEES CHARGED FOR CLOSED-END LOANS

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
ANNUAL FEE	.	.	.	.
APPLICATION FEE	$75	$77	$43	$50
APPRAISAL FEE	$245	$150	$154	$238
ATTORNEY FEE	.	$118	$143	$282
CLOSING FEE	.	.	$108	$50
COMMITMENT FEE	.	$40	.	$400
CREDIT-CHECK FEE	$10	$4	$10	$4
FLOOD CERTIFICATE	$9	$12	.	$12
LOAN SET-UP FEE	$50	$38	.	$150
MORTGAGE TAX	.	$49	$369	$75
POINTS	1.8	1.7	.	1.5
PROPERTY REPORT FEE	..	$87	$33	$89
RECORDING FEE	$13	$16	$29	$24
SUBORDINATION FEE	$100	$15	$92	$60
TITLE INSURANCE	$194	$168	$535	$144
TITLE SEARCH	$74	$89	$83	$127

EXHIBIT 11A

% OF LENDERS CHARGING FEE FOR CLOSED-END LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ANNUAL FEE	0%	0%	0%
APPLICATION FEE	16%	27%	18%
APPRAISAL FEE	77%	92%	79%
ATTORNEY FEE	22%	45%	26%
CLOSING FEE	13%	0%	11%
COMMITMENT FEE	5%	0%	5%
CREDIT-CHECK FEE	18%	56%	23%
FLOOD CERTIFICATE	23%	22%	23%
LOAN SET-UP FEE	5%	11%	6%
MORTGAGE TAX	6%	73%	17%
POINTS	14%	58%	22%
PROPERTY REPORT FEE	24%	30%	25%
RECORDING FEE	70%	85%	72%
SUBORDINATION FEE	31%	11%	29%
TITLE INSURANCE	49%	69%	53%
TITLE SEARCH	47%	50%	48%

EXHIBIT 11B

% OF LENDERS CHARGING FEE FOR CLOSED-END LOANS

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
ANNUAL FEE	0%	0%	0%
APPLICATION FEE	7%	13%	26%
APPRAISAL FEE	88%	90%	62%
ATTORNEY FEE	27%	38%	19%
CLOSING FEE	7%	23%	4%
COMMITMENT FEE	7%	5%	4%
CREDIT-CHECK FEE	33%	29%	14%
FLOOD CERTIFICATE	27%	10%	29%
LOAN SET-UP FEE	7%	10%	4%
MORTGAGE TAX	0%	29%	15%
POINTS	0%	40%	18%
PROPERTY REPORT FEE	17%	39%	19%
RECORDING FEE	82%	85%	55%
SUBORDINATION FEE	23%	38%	22%
TITLE INSURANCE	29%	68%	52%
TITLE SEARCH	63%	48%	44%

EXHIBIT 11C

% OF LENDERS CHARGING FEE FOR CLOSED-END LOANS

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
ANNUAL FEE	0%	0%	0%	0%
APPLICATION FEE	25%	29%	13%	12%
APPRAISAL FEE	89%	86%	68%	81%
ATTORNEY FEE	0%	13%	17%	55%
CLOSING FEE	0%	0%	17%	11%
COMMITMENT FEE	0%	6%	0%	11%
CREDIT-CHECK FEE	13%	7%	35%	22%
FLOOD CERTIFICATE	38%	31%	5%	29%
LOAN SET-UP FEE	14%	13%	0%	6%
MORTGAGE TAX	0%	19%	14%	28%
POINTS	67%	18%	0%	32%
PROPERTY REPORT FEE	0%	19%	40%	21%
RECORDING FEE	63%	90%	63%	67%
SUBORDINATION FEE	57%	20%	36%	17%
TITLE INSURANCE	56%	61%	32%	65%
TITLE SEARCH	14%	68%	41%	45%

EXHIBIT 12

BORROWER OPTIONS

OPEN-END LINES (PERCENT ALLOWING)	
INTEREST ONLY PAYMENTS - LINES	46.1%
CONVERSION TO FIXED RATE - LINES	29.5%
AN INCREASE IN LINE	73.6%
COST OF INCREASING LINE	$137
CLOSED-END LOANS (PERCENT ALLOWING)	
CONVERSION TO FIXED RATE - LOANS	11.6%

EXHIBIT 13A

LOAN PROCESSING FOR OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PROCESSING TIME IN DAYS - LINES	14	14	14
PERCENT APPROVED - LINES	73%	68%	72%
PERCENT CLOSED - LINES	85%	86%	85%
TYPE OF APPRAISALS FULL - LINES	56%	72%	58%
DRIVE-BY - LINES	24%	18%	23%
TAX ASSESSMENT ONLY - LINES	7%	0%	6%
DRIVE-BY AND TAX - LINES	9%	9%	9%
NO APPRAISAL - LINES	2%	2%	2%
REQUIRE TITLE INSURANCE - LINES	61%	50%	59%
OFFER CREDIT LIFE - LINES	86%	50%	80%
MAX AMT OF INSURANCE - LINES	$58,907	$41,429	$57,053
PERCENT TAKING INSURANCE - LINES	15%	13%	15%

EXHIBIT 13B

LOAN PROCESSING FOR OPEN-END LINES

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
PROCESSING TIME IN DAYS - LINES	10	15	13	15
PERCENT APPROVED - LINES	71%	81%	67%	69%
PERCENT CLOSED - LINES	80%	88%	85%	84%
TYPE OF APPRAISALS FULL - LINES	23%	72%	43%	69%
DRIVE-BY - LINES	53%	8%	40%	11%
TAX ASSESSMENT ONLY - LINES	6%	6%	8%	4%
DRIVE-BY AND TAX - LINES	0%	11%	5%	16%
NO APPRAISAL - LINES	3%	1%	4%	0%
REQUIRE TITLE INSURANCE - LINES	89%	68%	46%	48%
OFFER CREDIT LIFE - LINES	78%	84%	93%	62%
MAX AMT OF INSURANCE - LINES	$65,000	$60,947	$63,750	$40,667
PERCENT TAKING INSURANCE - LINES	11%	15%	18%	10%

EXHIBIT 13C

LOAN PROCESSING FOR OPEN-END LINES

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
PROCESSING TIME IN DAYS - LINES	10	14	17
PERCENT APPROVED - LINES	83%	70%	68%
PERCENT CLOSED - LINES	90%	89%	78%
TYPE OF APPRAISALS FULL - LINES	50%	60%	63%
DRIVE-BY - LINES	22%	23%	23%
TAX ASSESSMENT ONLY - LINES	8%	3%	6%
DRIVE-BY AND TAX - LINES	19%	7%	4%
NO APPRAISAL - LINES	1%	4%	2%
REQUIRE TITLE INSURANCE - LINES	32%	65%	73%
OFFER CREDIT LIFE - LINES	87%	78%	79%
MAX AMT OF INSURANCE - LINES	$56,278	$51,304	$62,935
PERCENT TAKING INSURANCE - LINES	18%	16%	12%

EXHIBIT 14A

LOAN PROCESSING FOR CLOSED-END LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PROCESSING TIME IN DAYS - LOANS	13	12	13
PERCENT APPROVED - LOANS	67%	67%	67%
PERCENT CLOSED - LOANS	86%	90%	86%
TYPE OF APPRAISALS FULL - LOANS	52%	71%	55%
DRIVE-BY - LOANS	26%	13%	24%
TAX ASSESSMENT ONLY - LOANS	9%	6%	8%
DRIVE-BY AND TAX - LOANS	7%	8%	7%
NO APPRAISAL - LOANS	4%	2%	3%
REQUIRE TITLE INSURANCE - LOANS	62%	54%	61%
OFFER CREDIT LIFE - LOANS	97%	79%	94%
MAX AMT OF INSURANCE - LOANS	$72,155	$75,455	$72,681
PERCENT TAKING INSURANCE - LOANS	31%	16%	28%

EXHIBIT 14B

LOAN PROCESSING FOR CLOSED-END LOANS

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
PROCESSING TIME IN DAYS - LOANS	8	12	16
PERCENT APPROVED - LOANS	78%	67%	63%
PERCENT CLOSED - LOANS	95%	88%	82%
TYPE OF APPRAISALS FULL - LOANS	53%	57%	54%
DRIVE-BY - LOANS	16%	26%	27%
TAX ASSESSMENT ONLY - LOANS	8%	4%	11%
DRIVE-BY AND TAX - LOANS	18%	6%	2%
NO APPRAISAL - LOANS	5%	4%	2%
REQUIRE TITLE INSURANCE - LOANS	38%	67%	70%
OFFER CREDIT LIFE - LOANS	100%	94%	90%
MAX AMT OF INSURANCE - LOANS	$76,875	$68,148	$74,583
PERCENT TAKING INSURANCE - LOANS	35%	30%	23%

EXHIBIT 14C

LOAN PROCESSING FOR CLOSED-END LOANS

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
PROCESSING TIME IN DAYS - LOANS	9	15	11	13
PERCENT APPROVED - LOANS	63%	74%	62%	68%
PERCENT CLOSED - LOANS	80%	90%	85%	89%
TYPE OF APPRAISALS FULL - LOANS	18%	66%	43%	69%
DRIVE-BY - LOANS	55%	12%	38%	10%
TAX ASSESSMENT ONLY - LOANS	4%	14%	6%	9%
DRIVE-BY AND TAX - LOANS	0%	8%	5%	12%
NO APPRAISAL - LOANS	4%	2%	7%	1%
REQUIRE TITLE INSURANCE - LOANS	89%	59%	54%	57%
OFFER CREDIT LIFE - LOANS	100%	91%	96%	91%
MAX AMT OF INSURANCE - LOANS	$77,778	$80,526	$72,727	$60,882
PERCENT TAKING INSURANCE - LOANS	10%	33%	41%	19%

EXHIBIT 15A

APPROVAL PROCESS FOR OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PERCENT OF LINES APPROVED AT BRANCH	30%	18%	28%
PERCENT OF LINES APPROVED AT REGIONAL OFFICE	8%	10%	9%
PERCENT OF LINES APPROVED AT MAIN OFFICE	62%	65%	62%

EXHIBIT 15B

APPROVAL PROCESS FOR OPEN-END LINES

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
PERCENT OF LINES APPROVED AT BRANCH	29%	33%	24%
PERCENT OF LINES APPROVED AT REGIONAL OFFICE	0%	11%	10%
PERCENT OF LINES APPROVED AT MAIN OFFICE	71%	53%	66%

EXHIBIT 15C

APPROVAL PROCESS FOR OPEN-END LINES

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
PERCENT OF LINES APPROVED AT BRANCH	1%	25%	23%	40%
PERCENT OF LINES APPROVED AT REGIONAL OFFICE	0%	10%	7%	13%
PERCENT OF LINES APPROVED AT MAIN OFFICE	99%	65%	70%	43%

EXHIBIT 16A

APPROVAL PROCESS FOR CLOSED-END LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PERCENT OF LOANS APPROVED AT BRANCH	31%	23%	30%
PERCENT OF LOANS APPROVED AT REGIONAL OFFICE	8%	12%	9%
PERCENT OF LOANS APPROVED AT MAIN OFFICE	59%	65%	60%

EXHIBIT 16B

APPROVAL PROCESS FOR CLOSED-END LOANS

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
PERCENT OF LOANS APPROVED AT BRANCH	30%	35%	24%
PERCENT OF LOANS APPROVED AT REGIONAL OFFICE	0%	11%	10%
PERCENT OF LOANS APPROVED AT MAIN OFFICE	61%	54%	65%

EXHIBIT 16C

APPROVAL PROCESS FOR CLOSED-END LOANS

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
PERCENT OF LOANS APPROVED AT BRANCH	11%	29%	21%	47%
PERCENT OF LOANS APPROVED AT REGIONAL OFFICE	0%	10%	8%	12%
PERCENT OF LOANS APPROVED AT MAIN OFFICE	89%	56%	71%	41%

EXHIBIT 17A

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
USE DEBT-TO-INCOME FORMULA - LINES	97%	100%	98%
PERCENT ON GROSS INCOME - LINES	38%	39%	39%
PERCENT ON NET INCOME - LINES	45%	53%	46%
MAX L-T-V RATIO FOR OWNER RESIDENCE - LINES	79%	79%	79%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE - LINES	70%	70%	70%

EXHIBIT 17B

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
OPEN-END LINES

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
USE DEBT-TO-INCOME FORMULA - LINES	96%	100%	97%
PERCENT ON GROSS INCOME - LINES	39%	38%	38%
PERCENT ON NET INCOME - LINES	47%	46%	45%
MAX L-T-V RATIO FOR OWNER RESIDENCE - LINES	79%	79%	79%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE - LINES	73%	70%	69%

EXHIBIT 17C

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
OPEN-END LINES

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
USE DEBT-TO-INCOME FORMULA - LINES	100%	96%	100%	96%
PERCENT ON GROSS INCOME - LINES	41%	38%	37%	40%
PERCENT ON NET INCOME - LINES	48%	44%	42%	51%
MAX L-T-V RATIO FOR OWNER RESIDENCE - LINES	81%	82%	75%	79%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE - LINES	68%	77%	68%	70%

EXHIBIT 18A

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
CLOSED-END LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
USE DEBT-TO-INCOME FORMULA - LOANS	96%	100%	96%
PERCENT ON GROSS INCOME - LOANS	39%	40%	39%
PERCENT ON NET INCOME - LOANS	44%	53%	46%
MAX L-T-V RATIO FOR OWNER RESIDENCE - LOANS	79%	82%	79%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE - LOANS	72%	74%	72%

EXHIBIT 18B

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
CLOSED-END LOANS

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
USE DEBT-TO-INCOME FORMULA - LOANS	94%	100%	94%
PERCENT ON GROSS INCOME - LOANS	37%	39%	39%
PERCENT ON NET INCOME - LOANS	46%	45%	45%
MAX L-T-V RATIO FOR OWNER RESIDENCE - LOANS	79%	79%	80%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE - LOANS	74%	70%	73%

EXHIBIT 18C

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
CLOSED-END LOANS

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
USE DEBT-TO-INCOME FORMULA - LOANS	100%	91%	100%	95%
PERCENT ON GROSS INCOME - LOANS	41%	39%	37%	40%
PERCENT ON NET INCOME - LOANS	48%	44%	42%	51%
MAX L-T-V RATIO FOR OWNER RESIDENCE - LOANS	82%	81%	77%	80%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE - LOANS	68%	77%	70%	72%

EXHIBIT 19A

OPEN-END LINE BORROWER CHARACTERISTICS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PERCENT OF BORROWERS			
20-34	18%	9%	17%
35-49	51%	54%	51%
50-64	26%	26%	26%
OVER 65	7%	12%	8%
HOUSEHOLD INCOME	$49,341	$61,552	$51,118
NUMBER OF DEPENDENTS	2.8	2.3	2.8
YEARS AT PRESENT JOB	8.5	9.6	8.7
YEARS OF HOME OWNERSHIP	8.9	10.2	9.1
VALUE OF THE HOME	$117,884	$139,936	$121,169
FIRST MORTGAGE BALANCE	$59,714	$69,897	$61,411
AVAILABLE EQUITY	$62,078	$70,039	$63,437

EXHIBIT 19B

OPEN-END LINE BORROWER CHARACTERISTICS

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
PERCENT OF BORROWERS			
20-34	18%	17%	15%
35-49	56%	47%	52%
50-64	24%	28%	26%
OVER 65	7%	10%	8%
HOUSEHOLD INCOME	$44,490	$55,225	$51,788
NUMBER OF DEPENDENTS	2.7	3.1	2.4
YEARS AT PRESENT JOB	8.5	7.2	10.2
YEARS OF HOME OWNERSHIP	9.8	8.4	9.4
VALUE OF THE HOME	$87,200	$127,444	$148,026
FIRST MORTGAGE BALANCE	$44,077	$66,952	$71,570
AVAILABLE EQUITY	$48,577	$54,151	$89,013

EXHIBIT 19C

OPEN-END LINE BORROWER CHARACTERISTICS

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
PERCENT OF BORROWERS 20-34	13%	19%	18%	13%
35-49	52%	55%	50%	51%
50-64	28%	21%	25%	29%
OVER 65	8%	8%	7%	10%
HOUSEHOLD INCOME	$53,494	$44,633	$52,459	$56,742
NUMBER OF DEPENDENTS	2.3	2.9	2.9	2.5
YEARS AT PRESENT JOB	8.8	8.8	8.9	8.4
YEARS OF HOME OWNERSHIP	7.8	9.7	9.6	8.7
VALUE OF THE HOME	$214,559	$81,229	$120,936	$132,222
FIRST MORTGAGE BALANCE	$140,000	$33,655	$54,462	$68,158
AVAILABLE EQUITY	$112,500	$48,500	$70,546	$64,064

EXHIBIT 20A

CLOSED-END LOAN BORROWER CHARACTERISTICS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PERCENT OF BORROWERS			
20-34	19%	11%	18%
35-49	52%	46%	51%
50-64	22%	29%	24%
OVER 65	7%	13%	9%
HOUSEHOLD INCOME	$45,283	$45,867	$45,397
NUMBER OF DEPENDENTS	2.9	1.7	2.8
YEARS AT PRESENT JOB	8.2	10.3	8.6
YEARS OF HOME OWNERSHIP	9.0	14.0	10.0
VALUE OF THE HOME	$120,441	$108,232	$117,650
FIRST MORTGAGE BALANCE	$62,465	$38,401	$56,255
AVAILABLE EQUITY	$62,214	$69,831	$64,245

EXHIBIT 20B

CLOSED-END LOAN BORROWER CHARACTERISTICS

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
PERCENT OF BORROWERS			
20-34	20%	17%	16%
35-49	50%	48%	54%
50-64	21%	27%	23%
OVER 65	11%	9%	7%
HOUSEHOLD INCOME	$39,652	$43,283	$51,241
NUMBER OF DEPENDENTS	3.0	2.9	2.4
YEARS AT PRESENT JOB	7.9	7.4	10.7
YEARS OF HOME OWNERSHIP	9.4	10.1	10.2
VALUE OF THE HOME	$80,301	$120,937	$143,726
FIRST MORTGAGE BALANCE	$39,090	$54,312	$72,513
AVAILABLE EQUITY	$50,213	$60,615	$78,786

EXHIBIT 20C

CLOSED-END LOAN BORROWER CHARACTERISTICS

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
PERCENT OF BORROWERS 20-34	14%	19%	20%	13%
35-49	61%	50%	50%	48%
50-64	19%	23%	23%	27%
OVER 65	6%	9%	7%	12%
HOUSEHOLD INCOME	$51,000	$38,579	$49,529	$46,871
NUMBER OF DEPENDENTS	2.4	2.9	3.0	2.0
YEARS AT PRESENT JOB	8.8	9.2	7.2	9.9
YEARS OF HOME OWNERSHIP	7.7	10.6	8.9	12.2
VALUE OF THE HOME	$236,250	$74,136	$107,600	$121,528
FIRST MORTGAGE BALANCE	$140,000	$33,867	$52,056	$44,512
AVAILABLE EQUITY	$101,667	$44,025	$59,944	$77,016

EXHIBIT 21A

ACCESS TO HOME EQUITY OPEN-END LINES OF CREDIT
PERCENT OF INSTITUTIONS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ACCESS CREDIT THROUGH CREDIT CARD	18%	15%	18%
ACCESS CREDIT THROUGH CHECKS-CHECKING ACCTS	94%	93%	93%
ACCESS CREDIT THROUGH BANK CHECK	61%	62%	61%
ACCESS CREDIT THROUGH ATM	28%	23%	27%
ACCESS CREDIT THROUGH TELEPHONE	40%	45%	40%
ACCESS CREDIT THROUGH OVERDRAFT PROTECTION	25%	18%	24%
ACCESS CREDIT THROUGH DEBIT CARDS	13%	0%	11%
ACCESS CREDIT THROUGH PERSONAL WITHDRAWALS	76%	69%	75%
NUMBER OF ACCESS TRANSACTIONS PER ACTIVE ACCOUNT	10	8	10
AVERAGE DOLLAR AMT OF TRANSACTION PER ACTIVE ACCOUNT	$4,107	$2,284	$3,721

EXHIBIT 21B

ACCESS TO HOME EQUITY OPEN-END LINES OF CREDIT
PERCENT OF INSTITUTIONS

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
ACCESS CREDIT THROUGH CREDIT CARD	23%	18%	13%
ACCESS CREDIT THROUGH CHECKS-CHECKING ACCTS	91%	90%	97%
ACCESS CREDIT THROUGH BANK CHECK	68%	68%	50%
ACCESS CREDIT THROUGH ATM	23%	32%	25%
ACCESS CREDIT THROUGH TELEPHONE	48%	35%	41%
ACCESS CREDIT THROUGH OVERDRAFT PROTECTION	23%	19%	26%
ACCESS CREDIT THROUGH DEBIT CARDS	5%	23%	6%
ACCESS CREDIT THROUGH PERSONAL WITHDRAWALS	78%	69%	75%
NUMBER OF ACCESS TRANSACTIONS PER ACTIVE ACCOUNT	6	7	15
AVERAGE DOLLAR AMT OF TRANSACTION PER ACTIVE ACCOUNT	$2,392	$5,401	$2,704

EXHIBIT 21C

ACCESS TO HOME EQUITY OPEN-END LINES OF CREDIT
PERCENT OF INSTITUTIONS

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
ACCESS CREDIT THROUGH CREDIT CARD	0%	27%	7%	26%
ACCESS CREDIT THROUGH CHECKS-CHECKING ACCTS	100%	92%	90%	96%
ACCESS CREDIT THROUGH BANK CHECK	78%	55%	64%	52%
ACCESS CREDIT THROUGH ATM	13%	18%	36%	29%
ACCESS CREDIT THROUGH TELEPHONE	63%	46%	32%	38%
ACCESS CREDIT THROUGH OVERDRAFT PROTECTION	38%	18%	32%	19%
ACCESS CREDIT THROUGH DEBIT CARDS	13%	5%	21%	5%
ACCESS CREDIT THROUGH PERSONAL WITHDRAWALS	67%	80%	70%	74%
NUMBER OF ACCESS TRANSACTIONS PER ACTIVE ACCOUNT	9	7	11	14
AVERAGE DOLLAR AMT OF TRANSACTION PER ACTIVE ACCOUNT	$7,180	$4,563	$2,974	$2,313

EXHIBIT 22A

DELINQUENT DOLLARS AS A PERCENT OF OUTSTANDING LINE OR LOAN DOLLARS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
TOTAL DELINQUENT CONSUMER LOANS	1.99%	2.75%	2.07%
TOTAL DELINQUENT OPEN-END LINES	1.20%	1.60%	1.27%
30 TO 60 DAYS	.63%	.75%	.65%
60 TO 90 DAYS	.25%	.48%	.29%
OVER 90 DAYS	.35%	.33%	.35%
PERCENT OF OPEN-END LINES FORECLOSED	.03%	.15%	.05%
TOTAL DELINQUENT CLOSED-END LOANS	2.38%	2.68%	2.45%
30 TO 60 DAYS	1.43%	1.39%	1.42%
60 TO 90 DAYS	.46%	.61%	.49%
OVER 90 DAYS	.58%	.66%	.60%

EXHIBIT 22B

DELINQUENT DOLLARS AS A PERCENT OF OUTSTANDING LINE OR LOAN DOLLARS

	ASSET SIZE		
	LESS THAN 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL
TOTAL DELINQUENT CONSUMER LOANS	1.95%	2.13%	1.87%
TOTAL DELINQUENT OPEN-END LINES	.63%	1.28%	1.61%
30 TO 60 DAYS	.37%	.69%	.75%
60 TO 90 DAYS	.18%	.22%	.36%
OVER 90 DAYS	.36%	.29%	.41%
PERCENT OF OPEN-END LINES FORECLOSED	.02%	.06%	.08%
TOTAL DELINQUENT CLOSED-END LOANS	3.33%	2.28%	2.28%
30 TO 60 DAYS	2.08%	1.09%	1.46%
60 TO 90 DAYS	.62%	.53%	.43%
OVER 90 DAYS	.79%	.62%	.49%

EXHIBIT 22C

DELINQUENT DOLLARS AS A PERCENT OF OUTSTANDING LINE OR LOAN DOLLARS

	REGION OF THE UNITED STATES			
	WEST	MIDWEST	NORTHEAST	SOUTH
TOTAL DELINQUENT CONSUMER LOANS	1.44%	2.15%	2.45%	1.76%
TOTAL DELINQUENT OPEN-END LINES	1.82%	.91%	1.34%	1.39%
30 TO 60 DAYS	1.03%	.57%	.59%	.68%
60 TO 90 DAYS	.29%	.14%	.30%	.38%
OVER 90 DAYS	.19%	.16%	.59%	.31%
PERCENT OF OPEN-END LINES FORECLOSED	.01%	.04%	.04%	.10%
TOTAL DELINQUENT CLOSED-END LOANS	1.72%	3.37%	2.13%	2.29%
30 TO 60 DAYS	2.18%	1.89%	1.06%	1.21%
60 TO 90 DAYS	.17%	.65%	.51%	.46%
OVER 90 DAYS	.26%	.53%	.69%	.63%

EXHIBIT 23

FORECLOSED OPEN-END LINES

NUMBER OF FORECLOSED OPEN-END LINES	
Mean	8
Median	1
TOTAL DOLLAR AMOUNT OF FORECLOSED OPEN-END LINES	
Mean	$528,084
Median	$35,259
AVERAGE FORECLOSED OPEN-END LINES	
Mean	$53,323
Median	$48,500
PERCENT OUTSTANDING AT FORECLOSURE	
Mean	50.0%
Median	74.0%
PERCENT OF OPEN-END LINES FORECLOSED	
Mean	.0539%
Median	.0159%
NUMBER OF LINES CHARGED OFF IN 1992	
Mean	19
Median	2
DOLLAR AMT OF LINES CHARGED OFF IN 1992	
Mean	$844,253
Median	$92,647

EXHIBIT 24

FORECLOSED CLOSED-END LOANS

NUMBER OF FORECLOSED CLOSED-END LOANS	
Mean	21
Median	2
TOTAL DOLLAR AMOUNT OF FORECLOSED CLOSED-END LOANS	
Mean	$840,407
Median	$64,192
AVERAGE FORECLOSED CLOSED-END LOANS	
Mean	$39,011
Median	$31,159
PERCENT OF CLOSED-END LOANS FORECLOSED	
Mean	.0000%
Median	.0000%
NUMBER OF LOANS CHARGED OFF IN 1992	
Mean	40
Median	7
DOLLAR AMT OF LOANS CHARGED OFF IN 1992	
Mean	$1,108,905
Median	$136,758

EXHIBIT 25

ADJUSTMENT CAPS
OPEN-END LINES

HAVE ANNUAL ADJUSTMENT CAP - LINES	11.5%
ANNUAL ADJUSTMENT CAP - LINES	3.3%
HAVE LIFETIME RATE FLOOR - LINES	34.8%
LIFETIME INTEREST RATE FLOOR - LINES	6.8%
HAVE LIFETIME RATE CEILING - LINES	96.6%
LIFETIME INTEREST RATE CEILING - LINES	19.5%

EXHIBIT 26

ADJUSTMENT CAPS
CLOSED-END LOANS

HAVE ANNUAL ADJUSTMENT CAP - LOANS	14.9%
ANNUAL ADJUSTMENT CAP - LOANS	2.3%
HAVE LIFETIME RATE FLOOR - LOANS	22.2%
LIFETIME INTEREST RATE FLOOR - LOANS	6.0%
HAVE LIFETIME RATE CEILING - LOANS	72.1%
LIFETIME INTEREST RATE CEILING - LOANS	20.2%

EXHIBIT 27

USE OF SECONDARY MARKETS
PERCENT OF LENDERS

SELL HOME EQUITY LINES	4.4%
SELL HOME EQUITY LOANS	6.4%
BUY HOME EQUITY LINES	17.8%
BUY HOME EQUITY LOANS	21.8%
SECURITIZE EQUITY LINES	9.4%
SECURITIZE EQUITY LOANS	8.0%
PLANNING TO SECURITIZE OPEN-END LINES	1.4%
PLANNING TO SECURITIZE CLOSED-END LOANS	

EXHIBIT 28

PERIODIC REVIEW

PERIODIC REVIEWS OF EQUITY LINES	83.3%
FREQUENCY OF REVIEWS - LINES	
MONTHLY	12%
QUARTERLY	9%
SIX MONTHS	2%
ANNUAL	58%
EVERY TWO YEARS	12%
EVERY THREE YEARS	7%
USE ACCOUNT MONITORING SYSTEM - LINES	66.3%
METHOD OF ACCOUNT MONITORING - LINES	
EXTERNAL VENDOR	42%
INTERNAL REPORT	54%
MATURITY	4%
METHOD OF ACCOUNT MONITORING - LOANS	
EXTERNAL VENDOR	21%
INTERNAL REPORT	79%

Appendix I

Number of Lenders with part of their portfolio in the following regions:

Number	Region
17	West (AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY)
34	Midwest (IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI, WV)
68	Northeast (CT, DE, MA, MD, ME, NJ, NJ, NY, PA, RI, VT)
74	Southeast (AL, AR, DC, FL, GA, LA, MS, NC, OK, SC, TN, TX, VA)

Appendix II

CONSUMER BANKERS ASSOCIATION
AND
McINTIRE SCHOOL OF COMMERCE
UNIVERSITY OF VIRGINIA

HOME EQUITY AND MORTGAGE SURVEY

- *Please complete and return this form by February 15, 1993.*
- *Please report information for your entire bank, including branches.*
- *If any answer is not known or not available, please answer with "N.A.".*
- *If exact figures are not available, provide best estimates.*
- *When recording percentages, 50.0% means fifty percent; .50% is one half of one percent.*

Definitions: Because of the confusion that exists within the industry on various terminology, we are providing the following two definitions to aid in the completion of this questionnaire.

Closed–End - fixed-term, single advance **loan**.

Open–End - revolving **line** of credit where repeated transactions are anticipated.

Note: For your participation in the completion of this questionnaire, a complementary copy of the executive summary will be sent to you. If you desire this summary, please complete the address. The results of this study will be reported only in aggregate and your data will be held in confidence by the researchers at the University of Virginia. Thank you.

Name of Institution: _____
(Holding companies, please consolidate information)

Location (address): _____

_____

Questionnaire completed by:

Name: _____

Title: _____

Phone: _____

Return to:
Dr. Richard F. DeMong
Center for Financial Services Studies
McIntire School of Commerce
University of Virginia, Monroe Hall
Charlottesville, Virginia 22903
(804) 924-3227

SECTION I
ABOUT YOUR INSTITUTION

		Bill.	Mill.	Thou.	Hund.
1.	Your institution's asset size	$_____,	_____,	_____,	_____

2. Number of branches or banks _____

3. Are you primarily a: (please check only one)

( ) commercial bank ( ) mortgage company
( ) finance company ( ) savings bank
( ) brokerage house ( ) savings & loan association
( ) credit union
( ) other; If other, what are you? _____

4. What percent of your home equity portfolio is in the following regions:

___% West (AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY)
___% Midwest (IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI, WV)
___% Northeast (CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT)
___% Southeast (AL, AR, DC, FL, GA, LA, MS, NC, OK, SC, TN, TX, VA)
100%

5. Your institution's return on assets (ROA) in 1992: _____%

6. Your institution's return on equity (ROE) in 1992: _____%

7. Do you offer open-end home equity lines? __ No __ Yes
If so, in what year did you begin open-end home equity lending? 19___

8. Do you offer closed-end home equity loans? __ No __ Yes
If so, in what year did you begin closed-end home equity lending? 19___

9. Have you started a formal quality initiative (such as total quality management) in your organization? __ No __ Yes
If so, in what year did you begin the program? 19___

If no, do you plan on beginning a formal quality initiative in 1993? _____ No _____ Yes

SECTION II
TOTAL CONSUMER CREDIT OUTSTANDING
(Excluding Unsecured Credit Cards)

		Bill.	Mill.	Thou.	Hund.
1.	Total dollar **amount** of all consumer credit outstanding (excluding unsecured credit cards) as of year-end 1992. **Please include your home equity**, personal lines of credit, consumer mortgages, autos, boat loans, vacation loans, etc.	$_____,	_____,	_____,	_____
2.	Total dollar **amount** of all delinquent (over 30 days) accounts of consumer credit (excluding unsecured credit cards) as of year-end 1992.	$_____,	_____,	_____,	_____
3.	Total dollar amount of **net-charge off** of consumer credit (excluding unsecured credit cards)	$_____,	_____,	_____,	_____

4. What **percent** of the consumer credit **net charge-offs** (excluding unsecured credit cards) were the result of a personal bankruptcy? _____%

SECTION III
HOME EQUITY LENDING SECTION

There are two columns for each question in this section. The first column should be used for responses about your **open–end lines** and the second is for your **closed–end loans**. Please provide information for both types of lending. If you do not offer one or the other, please leave those columns blank.

		OPEN–END LINES				CLOSED–END LOANS			
		Bill.	Mill.	Thou.	Hund.	Bill.	Mill.	Thou.	Hund.
1.	Total **number** of open-end home equity lines and closed-end loans as of year-end 1992.		#_____,	_____,	_____		#_____,	_____,	_____
2.	Total **dollar** amount of committed home equity lines as of year-end 1992.	$_____,	_____,	_____,	_____			N.A.	
b.	What was the percent change in dollars of committed home equity lines (1992 vs. 1991)?			_____%	increase decrease			N.A.	
3.	Total **number** of **outstanding (in use)** open-end home equity lines as of year-end 1992.		#_____,	_____,	_____			N.A.	
4.	Total **dollar** amount of **outstanding (in use)** home equity lines/loans as of year-end 1992.	$_____,	_____,	_____,	_____	$_____,	_____,	_____,	_____
b.	What was the percent change in outstanding home equity lines/loans (1992 vs. 1991)?			_____%	increase decrease			_____%	increase decrease
5.	Total **number** of **new** open-end home equity lines and **new** closed-end loans originated in calendar year 1992.		#_____,	_____,	_____		#_____,	_____,	_____

		OPEN–END LINES				CLOSED–END LOANS			
		Bill.	Mill.	Thou.	Hund.	Bill.	Mill.	Thou.	Hund.
6.	Total **dollar** amount of commited open-end lines and closed-end loans **originated** in calendar year 1992.	$_____,	_____,	_____,	_____	$_____,	_____,	_____,	_____
b.	What was the percent change in **origination** in 1992 versus 1991?			_____% increase _____% decrease				_____% increase _____% decrease	
7.	Total **number** of open-end home equity lines and closed-end loans outstanding that were delinquent by the amount of days shown at year-end 1992.		30 days #_____,	_____			30 days #_____,	_____	
			30-90 days #_____,	_____			30-90 days #_____,	_____	
			90 + days #_____,	_____			90 + days #_____,	_____	
8.	Total **amount** of open-end home equity lines and closed-end loans outstanding that were **delinquent** by the amount of days shown at year-end 1992.	30 days $_____,	_____,	_____		30 days $_____,	_____,	_____	
		30-90 days $_____,	_____,	_____		30-90 days $_____,	_____,	_____	
		90 + days $_____,	_____,	_____		90 + days $_____,	_____,	_____	
9.	In 1992, how **many** open-end lines and closed-end loans concluded in **foreclosure** during the course of the year?		#_____,	_____,	_____		#_____,	_____,	_____
10.	In 1992, what was the **dollar** amount of open-end lines and closed-end loans that resulted in **foreclosure** during the course of the year?	$_____,	_____,	_____,	_____	$_____,	_____,	_____,	_____

		OPEN-END LINES				CLOSED-END LOANS			
		Bill.	Mill.	Thou.	Hund.	Bill.	Mill.	Thou.	Hund.
11.	What percent of the line was outstanding at the time of **foreclosure?**				_____%			N.A.	
12.	How **many** open-end lines and closed-end loans were **charged-off** in 1992?		#_____,	_____,	_____		#_____,	_____,	_____
13.	What was the **dollar** amount of open-end lines and closed-end loans **charged-off** (net) in 1992?		$_____,	_____,	_____		$_____,	_____,	_____
14.	In 1992, what **percent** of total dollars of line/loan **charge-offs** were due to personal bankruptcy.				_____%				_____%
15.	**Minimum** home equity line and loan.			$_____,	_____			$_____,	_____
16.	**Maximum** home equity line and loan.		$_____,	_____,	_____		$_____,	_____,	_____

17. Open-end home equity borrowers **access** credit through the following: (check and complete where applicable)

Credit Card	___ Yes	___ No
Checks/Checking Accounts	___ Yes	___ No
Bank Check (counter check)	___ Yes	___ No
ATM	___ Yes	___ No
Telephone	___ Yes	___ No
Draft Account (Credit Union)	___ Yes	___ No
Overdraft protection on Checking Accounts	___ Yes	___ No
Debit Cards	___ Yes	___ No
Personal Withdrawals at Branch	___ Yes	___ No
Other (Please specify) _____	___ Yes	___ No

18. Which method of **access** is most frequently used by your borrowers? _____

19. What is the average **number of access transactions** per active account during 1992? #_____

20. **Per active account during 1992**, what was the **average transaction in dollars?** $_____, _____ N.A.

21. Are interest only payments permitted? _____ Yes _____ No _____ Yes _____ No

22. What is the average life of your home equity lines/loans? _____ Years ___ Years

SECTION IV
VARIABLE RATE HOME EQUITY

Skip to Section V if you have no variable rate line or loans

1. What percent of your open-end lines and closed-end loans are variable rate?

OEL	CEL
_____%	_____%

2. Which **index** do you use and what is the spread in basis points over that index for your variable rate home equity product? (Please check the appropriate index. OEL is for open-end lines and CEL is for closed-end loans. Use average spread if it varies.)

OEL	CEL		OEL	CEL	
( )	( )	The Wall Street Journal prime rate	____	____	basis point spread
( )	( )	A bank prime rate	____	____	basis point spread
( )	( )	30-day Treasury Bill rate	____	____	basis point spread
( )	( )	90-day (or 13 week) Treasury Bill rate	____	____	basis point spread
( )	( )	180-day (6 month) Treasury Bill rate	____	____	basis point spread
( )	( )	52-week Treasury Bill rate	____	____	basis point spread
( )	( )	Federal Reserve Discount rate	____	____	basis point spread
( )	( )	Other: _____	____	____	basis point spread

		OPEN-END LINES	CLOSED-END LOANS
3	Frequency of interest rate adjustments? (Please check only one.)	Daily (i.e. when index changes) ( ) Weekly ( ) Monthly ( ) Quarterly ( ) Annually ( ) Other (specify)_____ ( ) Fixed rate only ( )	Daily (i.e. when index changes) ( ) Weekly ( ) Monthly ( ) Quarterly ( ) Annually ( ) Other (specify)_____ ( ) Fixed rate only ( )
4a.	Do you have annual adjustment cap?	_____ Yes _____ No	_____ Yes _____ No
b.	If so, what is it?	_____% change	_____% change
5a.	Do you have a lifetime interest rate floor?	_____ Yes _____ No	_____ Yes _____ No
b.	If so, what is it?	_____% (minimum rate)	_____% (minimum rate)
6a.	Do you have a lifetime interest rate ceiling?	_____ Yes _____ No	_____ Yes _____ No
b.	Is so, what is it?	_____% (maximum rate)	_____% (maximum rate)

SECTION V
APPROVAL PROCESS

		OPEN–END LINES	CLOSED–END LOANS
1a.	Do you use a **debt–to income** formula in the approval process?	____ Yes ____ No	____ Yes ____ No
b.	What is the **percent** on the gross income? (if applicable)	_____%	_____%
c.	What is the **percent** on the net income? (if applicable)	_____%	_____%
2.	In the approval process, do you use: (please check only one)	credit scoring only ( ) judgmental only ( ) combination ( )	credit scoring only ( ) judgmental only ( ) combination ( )
3.	What percent of applications are approved at:	branch ___% regional ___% main office ___% 100 %	branch ___% regional ___% main office ___% 100 %
4.	**Average "turnaround"** or processing time for home equity lines and loans from **applications** to **final** approval in calendar days.	_____ days	_____ days
5.	What percent of applications are approved?	____%	____%
6.	What **percentage** of approved applications actually close:	_____%	_____%
7.	What is your **maximum loan–to–value** ratio for owner occupied residence?	_____%	_____%

	OPEN–END LINES	CLOSED–END LOANS
8. What is your **maximum** loan-to-value ratio for a non-owner occupied residence?	_____%	_____%
9. In your approval process, what **percent** of your appraisals are:		
Full (complete inspection of property)	_____%	_____%
"Drive-by" appraisals	_____%	_____%
Tax assessment only	_____%	_____%
"Drive by appraisals" and tax assessment	_____%	_____%
No appraisal	_____%	_____%
Other (specify) _____	_____%	_____%
_____	**Total 100 %**	**Total 100 %**
10. Do you require title insurance?	_____ Yes _____ No	_____ Yes _____ No
11. Do you offer credit life insurance?	_____ Yes _____ No	_____ Yes _____ No
If yes, maximum amount insurance.	$_____, _____, _____	$_____, _____, _____
12. What **percent** of your customers take credit life insurance?	_____%	_____%

13a. For **open–end lines**, what fees are currently passed on to the customer. If you have different fees for different situations, please use the average fees.

Yes	No		Estimated Fee
___	___	annual	$_____
___	___	per transaction	$_____
___	___	application	$_____
___	___	appraisal	$_____
___	___	attorney's fees	$_____
___	___	closing	$_____
___	___	commitment fee	$_____
___	___	credit-check	$_____
___	___	flood certificate	$_____
___	___	loan set-up	$_____
___	___	mortgage tax	$_____
___	___	points	____ points
___	___	property report	$_____
___	___	recording fee	$_____
___	___	subordination	$_____
___	___	title insurance	$_____
___	___	title search	$_____
___	___	other (please specify)_____	$_____

b. **Average** total fees per borrower in 1992. $_____, _____

c. What percent of lines originated in 1992 had the majority of the fees waived? _____%

d. **Average** fees waived per borrowers in 1992. $_____, _____

14a. For **closed–end loans**, what fees are currently passed on to the customer. If you have different fees for different situations, please use the average fees.

Yes	No		Estimated Fee
___	___	annual	$_____
___	___	application	$_____
___	___	appraisal	$_____
___	___	attorney's fees	$_____

___	___	closing	$_____
___	___	commitment fee	$_____
___	___	credit-check	$_____
___	___	flood certificate	$_____
___	___	loan set-up	$_____
___	___	mortgage tax	$_____
___	___	points	____ points
___	___	property report	$_____
___	___	recording fee	$_____
___	___	subordination	$_____
___	___	title insurance	$_____
___	___	title search	$_____
___	___	other (please specify)_____	$_____

b. **Average** total fees per new borrower in 1992? $_____, _____

c. What **percent** of the loans originated in 1992 had the majority of the fees waived? _____%

d. **Average** fees waived per new borrower in 1992. $_____, _____

SECTION VI
SERVICING

		OPEN–END LINES	CLOSED–END LOANS
1a.	Do you conduct periodic reviews of your home equity lines for credit purposes?	_____ Yes _____ No	_____ Yes _____ No
b.	If yes, how often?	_____	_____
2a.	Do you use any type of account monitoring system?	_____ Yes _____ No	_____ Yes _____ No
b.	If so, what is it?	_____	_____
3a.	Do you buy home equity lines or loans?	_____ Yes _____ No	_____ Yes _____ No
b.	If yes, what percent of your total portfolio was purchased?	_____%	_____%
4a.	Do you sell home equity lines or loans?	_____ Yes _____ No	_____ Yes _____ No
b.	If yes, what percent of your total portfolio was sold in 1992?	_____%	_____%
5a.	Do you "securitize" your home equity lines or loans?	_____ Yes _____ No	_____ Yes _____ No
b.	If yes, what percent of your total portfolio was securitized?	_____%	_____%
6.	If so, who do you use?	_____	_____
7.	If you do not presently "securitize" your home equity lines or loans, are you planning to do so during 1993?	_____ Yes _____ No	_____ Yes _____ No

		OPEN-END LINES	CLOSED-END LOANS
8.	Do you service home equity lines/loans for others?	_____ Yes _____ No	_____ Yes _____ No
9.	What is the dollar value of the home equity lines/loans serviced for others?	$_____ , _____, _____, _____	$_____, _____, _____, _____
10.	Does the borrower have the option to convert all or part of the line or loan from variable to fixed rate?	_____ Yes _____ No	_____ Yes _____ No
11.	Does the borrower have the option to increase the line?	_____ Yes _____ No	_____ Yes _____ No
b.	If so, what is the cost of increasing the line?	$____, ____	$____,____
12.	What is your per line/loan **annual servicing costs**? (including collections, customer service, item processing, etc.)?	$_____ (per line)	$ _____ (per loan)

SECTION VII
ABOUT THE BUSINESS

		OPEN–END LINES	CLOSED–END LOANS
1.	What **percent** of your borrowers are in the following age brackets? (Use your best estimates)	20 to 34 years _____% 35 to 49 years _____% 50 to 64 years _____% 65 and over _____%	20 to 34 years _____% 35 to 49 years _____% 50 to 64 years _____% 65 and over _____%
2.	**Average** total household income.	$_____, _____	$_____, _____
3.	**Average** years of ownership of home by borrowers.	_____ Years	_____ Years
4.	**Average** appraised value of the home.	$_____, _____	$_____, _____
5.	**Average** first mortgage balance on the home.	$_____, _____	$_____, _____
6.	**Average** years at current job by primary provider of family income.	_____ Years	_____ Years
7.	**Average** number of dependents (including spouse).	_____	_____

8. How important are the following marketing activities to your home equity loan program? (Please rate each choice from 1 to 6 where 1 is **not** important and 6 is **very** important.)

___	Newspaper	___	Billboards
___	Direct mail	___	Brochures
___	Statement stuffers	___	Telemarketing
___	Television	___	Realtor referrals
___	Magazines	___	Construction company referrals
___	Radio	___	Employee incentive
___	Word of mouth	___	No or low closing costs
___	Cross-selling within	___	Low introductory interest rate
___	Community events or home shows	___	Accountant or attorney referrals
___	Other (please specify)_____		

_____

9. If you had to choose one of the above, which would be the most important to your home equity program?

_____

	OPEN–END LINES	CLOSED–END LOANS
10. During 1992, what was your customer's primary use for their home equity credit?	_____	_____

11. Approximately, what **percent** of your open-end lines and closed-end loans are used for the following purposes:

Automobile purchase	_____%	_____%
Business expense	_____%	_____%
Debt consolidation	_____%	_____%
Education/college	_____%	_____%
Home improvement	_____%	_____%
Investment purpose	_____%	_____%
Medical expenses	_____%	_____%
Tax **payment**	_____%	_____%
Vacation	_____%	_____%
Other (specify)_____	Total **100 %**	Total **100 %**
_____		
_____ Don't Know		

12. What percent of your lines/loans were originated at:	central office	___%	central office	___%
	branches	___%	branches	___%
	loan by phone	___%	loan by phone	___%
	direct mail	___%	direct mail	___%
	brokers	___%	brokers	___%
	dealers	___%	dealers	___%
	other	___%	other	___%
		100 %		100 %
13. What were your home equity lending **marketing and advertising costs** in 1992:		$_____, _____, _____		$_____, _____, _____
14. What is your per line/loan **origination cost (including credit bureau, advertising, etc.)**? (Use estimate or average if exact figures are not available)		$_____ (per line)		$_____ (per line)

Thank you for completing the McIntire School of Commerce, University of Virginia, and Consumer Bankers Association's Home Equity Lending Survey.